

Davis Polk Client Memorandum: United States Imposes Blocking Sanctions on the Government of Venezuela

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Late on the evening of August 5, 2019, President Trump issued a new [Executive order](#) imposing blocking sanctions on the Government of Venezuela (“GoV”). The order builds on prior [limited sanctions](#) imposed on the GoV, as well as blocking sanctions imposed on certain GoV [agencies](#) and [state-owned companies](#), and represents a substantial intensification of U.S. economic pressure on the Maduro regime. However, contrary to media reports, the order does not impose a complete embargo on the country of Venezuela.

In connection with the issuance of the order, on August 6, 2019, the Treasury Department’s Office of Foreign Assets Control (“OFAC”) issued 25 new and amended [general licenses](#). These licenses maintain in effect previously existing authorizations for transactions involving the GoV or certain previously sanctioned GoV entities, and should mitigate the impact of the blocking of the entire GoV by authorizing additional types of transactions involving the GoV or GoV entities.

Our [client memorandum](#) discusses the new sanctions and related OFAC licenses and guidance in greater detail.