

Articles + Publications | May 15, 2024

Locke Lord QuickStudy: OFAC Extends Venezuela-Related ?General License for Limited Maintenance of Essential Operations and Wind-Down

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On May 10, 2024, the U.S. Department of the Treasury's Office of Foreign Assets ("OFAC") amended [General License \("GL"\) 8N](#) related to [Venezuela Sanctions Regulations](#), 31 CFR part 591.

[GL 8N](#) replaces [GL 8M](#), which was set to expire on May 16, 2024. GL 8N extends to November 15, 2024, the authorization for transactions and activities that are "ordinarily incident and necessary" for the limited maintenance of essential operations, contracts, or other agreements that:

- are for safety or the preservation of assets in Venezuela;
- involve Petróleos de Venezuela, S.A. ("PdVSA") or any entity in which PdVSA owns, directly or indirectly, a 50% or greater interest ("PdVSA Entities"); and
- were in effect prior to July 26, 2019 for the following entities and their subsidiaries: (A) Halliburton; (B) Schlumberger Limited; (C) Baker Hughes Holdings LLC; and (D) Weatherford International, Public Limited Company (collectively, "Covered Entities").

This GL 8N continues to authorized the Covered Entities to conduct transactions and activities that are necessary for safety or the preservation of their assets in Venezuela including: (i) transactions and activities necessary to ensure the safety of personnel or the integrity of operations and assets in Venezuela; (ii) participation in shareholder and board of directors meetings; (iii) making payments for transactions and activities authorized and incurred prior to April 21, 2020; (iv) payment of local taxes and purchase of utility services in Venezuela; and (v) payment of salaries for employees and contractors in Venezuela.

GL 8N also extends to November 15, 2024, the time for Covered Entities to wind down operations, contracts, or other agreements in Venezuela involving PdVSA Entities that were in effect prior to July 26, 2019.

Conclusion

This paper is intended as a guide only and is not a substitute for specific legal or ?tax advice. ???Please ?reach out to the authors for any specific questions. We expect ?to continue to monitor the ???topics ?addressed in this paper and provide future ?client updates when useful.

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