

Locke Lord QuickStudy: OFAC Issues Venezuela-Related ?General Licenses and FAQs

Locke Lord LLP

WRITTEN BY

Ryan Last

On November 16, 2023, the U.S. Department of the Treasury's Office of Foreign Assets ("OFAC") amended General License ("GL") 8M and 45A, and issued four new FAQs (FAQ 1141-1144) related to Venezuela Sanctions Regulations, 31 CFR part 591 (the "VSR"). This relief is part of OFAC's continuing effort to extend sanctions relief to Venezuela in response to the electoral roadmap agreement signed by the Unitary Platform and the Maduro regime. OFAC warns, however, that it is monitoring the Maduro's regime's compliance with the agreement and stands ready to revoke the authorizations if necessary to align with U.S. foreign policy and national security priorities. Additionally, OFAC published an updated, related document "Frequently Asked Questions Related to the Suspension of Certain U.S. Sanctions with Respect to Venezuela on October 18, 2023" to reflect amended GLs and new FAQs.

GLs

GL 8M replaces GL 8L, which was set to expire on November 19, 2023. GL 8M extends to May 16, 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:

1. are for safety or the preservation of assets in Venezuela;
2. 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
3. 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").

The term "safety or preservation of assets" encompasses transactions and activities essential for ensuring the well-being of personnel and the integrity of operations and assets in Venezuela. This includes participating in shareholder and board of director meetings, and making payments to third parties involved in authorized transactions and activities under this GL (or prior to April 21, 2020, if such activities were authorized at that time). Additionally, GL 8M permits the payment of local taxes and the purchase of utility services in Venezuela, as well as the disbursement of salaries for employees and contractors in Venezuela. GL 8M also extends the wind down of operations for the Covered Entities, contracts, or other agreements in Venezuela involving PdVSA Entities, and that were in effect prior to July 26, 2019, for the Covered Entities until May 16, 2024.

GL 45A, effective as November 16, 2023 and which replaces GL 45, extends indefinitely the authorization of

Consortio Venezolano de Industrias Aeronauticas y Servicios Aereos, S.A. and its controlled subsidiaries (“Conviasa”) to transport Venezuelan nationals back to Venezuela from non-U.S. jurisdictions in the Western Hemisphere. GL 45A also authorizes transactions that are ordinarily incident and necessary to the operations of Conviasa including the general maintenance of Conviasa’s blocked aircraft (“GL45A Blocked Aircraft”) and to Conviasa’s operation of non-commercial (i.e., not-for-profit) flights on GL 45A Blocked Aircraft between non-U.S. jurisdictions in the Western Hemisphere and Venezuela.

FAQs

FAQ 1141 – Explains certain permissions associated with GL 45A for U.S. persons to provide services, such as refueling, to GL 45A Blocked Aircraft that are exclusively engaged in repatriation flights, transporting Venezuelan nations from a third country in the Western Hemisphere to Venezuela.

FAQ 1142 – Explains certain permissions for U.S. persons to provide general maintenance, including repair, services to GL 45A Blocked Aircraft.

FAQ 1143 – Explains for purposes of GL 45A, that “non-commercial” flights means not-for-profit flights that are not intended to generate a profit for Conviasa, or any entity in which Conviasa owns, directly or indirectly, a 50% or greater interest.

FAQ 1144 – Explains that GL 45A permits U.S. persons to provide certain services, including refueling services, to GL 45A Blocked Aircraft that are carrying out non-commercial flights between a third country in the Western Hemisphere and Venezuela.

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.

RELATED INDUSTRIES + PRACTICES

- [Corporate](#)
- [International](#)
- [Sanctions + Trade Controls](#)