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US-Venezuela Oil Reset: Sanctions, State-Directed Crude Sales, and What Comes Next for the Industry

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On January 7, the U.S. Department of Energy (DOE) announced a significant shift in the U.S. government's approach to Venezuela's oil sector, pairing targeted sanctions relief with a U.S.-directed framework for the marketing and sale of Venezuelan crude oil and petroleum products. This announcement follows the January 3 apprehension of Nicolás Maduro by U.S. authorities. See our previous advisory for a summary of these earlier developments from a sanctions perspective. No public changes to U.S. sanctions or export control regulations have yet occurred. However, the U.S. government is likely open to issuing specific licenses in select cases, and may be considering targeted public regulatory changes as well, such as the issuance of general licenses, in order to support this new policy announced by DOE. Collectively, the announced measures are framed as advancing U.S. national security interests, restoring Venezuelan oil production capacity, and ensuring that oil revenues are distributed under U.S. oversight.

Key Elements of the US-Venezuela Energy Framework

According to DOE's January 7 fact sheet, the new framework includes the following components:

- U.S.-Directed Crude Marketing: The U.S. government has begun marketing Venezuelan crude oil and oil products in global markets through selected commodity marketers and financial institutions.
- Controlled Proceeds: Sale proceeds will settle into "U.S. controlled" accounts at internationally recognized banks prior to distribution "at the discretion of the U.S. government."
- Initial and Ongoing Sales: DOE said these oil sales are to begin "immediately," with an anticipated initial volume of approximately 30 million to 50 million barrels, and to continue on an open-ended basis.
- Selective Sanctions Rollbacks: The U.S. is "selectively" easing sanctions "to enable the transport and sale of Venezuelan crude and oil products" through authorized channels consistent with U.S. law.
- Diluent and Equipment Imports: U.S. light crude (diluent) will be authorized for export to Venezuela to facilitate production and transport of heavy crude, alongside authorization for "select oil field equipment, parts, and services to immediately offset decades of production decline and drive near-term growth."
- Infrastructure Rehabilitation: The U.S. intends to support improvements to Venezuela's electricity grid, which is viewed as critical to restoring oil production and broader economic activity.

Sanctions Status and Legal Reality

Despite DOE's public statement regarding an intention to implement selective sanctions relief, the Venezuela sanctions regime remains intact, as no changes to the legal framework have yet been implemented by the U.S.

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Department of the Treasury's Office of Foreign Assets Control (OFAC).

Key points for compliance purposes include:

- Sanctions Compliance Required: Policy announcements do not themselves modify sanctions obligations. U.S. persons remain bound by existing prohibitions absent new general licenses, specific licenses, or regulatory amendments.
- SDN and Government Blocking Restrictions Remain Central: Dealings with blocked Venezuelan government bodies, state enterprises, private sector entities, individuals, and vessels continue to be prohibited unless explicitly authorized.

Except when operating pursuant to OFAC authorization and any other required authorization (*e.g.*, under U.S. export controls), Venezuela-related oil, shipping, financing, and other transactions should continue to be treated as high risk.

What This Means for the Energy and Financial Services Industries

Energy Producers, Traders, and Refiners

For refiners — particularly U.S. Gulf Coast facilities configured for heavy crude — the framework signals the possible reintroduction of higher volumes of Venezuelan barrels into lawful supply chains. However, participation is expected to be tightly controlled and routed through U.S.-approved mechanisms. Companies should not assume broader market access absent explicit authorization.

Oilfield Services, Equipment, and Infrastructure Providers

The authorization of select equipment, services, and grid-related support creates potential opportunities, but these are likely to be accompanied by licensing conditions, end-use restrictions, and ongoing monitoring. Activity is expected to focus on stabilization and incremental production gains.

Commodity Trading, Shipping, and Logistics

Shipping companies, traders, and logistics providers remain exposed to sanctions risk if they engage outside approved channels. Enhanced diligence remains critical for vessel ownership, chartering arrangements, port calls, and cargo financing, particularly where Venezuelan-origin crude is involved.

Overall Industry Takeaway

The administration's actions reflect a controlled reopening of Venezuelan oil markets rather than a broad normalization. Commercial opportunities will depend on formal OFAC implementation, not policy statements alone. Until actual regulatory change and/or guidance is issued, companies should proceed cautiously, ensure that any engagement is expressly authorized where required, and maintain enhanced compliance controls.

Looking Ahead

Market participants should closely monitor OFAC releases for new general licenses, FAQs, or regulatory amendments addressing Venezuelan oil, shipping, financing, and services. We expect further clarification to determine which market participants may engage, under what conditions, and with what compliance obligations. Still, for some companies, now is the time to begin the process of applying for specific authorization where required. We will continue to track developments and are available to advise on licensing strategies and sanctions risk assessments related to Venezuela.

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