



## OFAC issues guidance regarding blacklisting of Venezuela's government

By Alexandra Lopez-Casero and Zach Rozen

This morning, the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) issued formal guidance regarding the Venezuela sanctions. Specifically, OFAC clarified the scope of a new executive order (EO) that President Trump issued yesterday, August 5, 2019, which extended the sanctions program against Venezuela to prohibit dealings with the Government of Venezuela.

Some media reports have misidentified the new EO "Blocking Property of the Government of Venezuela" as a full embargo against Venezuela, similar to U.S. embargoes of Cuba and Iran. However, the EO primarily targets only the Venezuelan government by freezing all assets of the Government of Venezuela and any persons owned, controlled, or acting for or on behalf of the Government of Venezuela. The order defines the "Government of Venezuela" as the state of Venezuela and any political subdivision, agency, or instrumentality thereof, including the Central Bank of Venezuela and Petroleos de Venezuela, S.A. (PdVSA). While this EO is expected to have a profound impact, it should be noted that it does not amount to a full trade embargo. Unlike other U.S. embargoes, the EO does not otherwise prohibit exports or imports to or from Venezuela or forbid dealings with Venezuela's private sector. The EO also includes specific exceptions for the delivery of food, medicine, and clothing. OFAC has [published](#) "Guidance Related to the Provision of Humanitarian Assistance and Support to the Venezuelan People" to provide additional information on humanitarian assistance exceptions.

The EO further authorizes the Secretary of the Treasury, in consultation with the Secretary of State, to blacklist—i.e., place on the Specially Designated Nationals and Blocked Persons list (SDN List)—anyone who has materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of anyone placed on the SDN List pursuant to the EO, including the Government of Venezuela, or any entity acting for or on behalf of, or owned or controlled, directly or indirectly, 50% or more by the Government of Venezuela. This language will effectively extend sanctions to third parties outside of Venezuela who provide material support for the Government of Venezuela or persons who are placed on the SDN List pursuant to the EO, even if such third parties have no U.S. nexus.

In addition to the new and revised [FAQs](#), OFAC has issued [12 amended general licenses](#) (General Licenses 2A, 3F, 4C, 7C, 8C, 9E, 10A, 13C, 15B, 16B, 18A, 20A) and [13 new general licenses](#) (General Licenses 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33) that provide exceptions to the EO. Most

notably, General License 31 authorizes transactions with the government of the U.S.-recognized interim president of Venezuela Juan Gerardo Guaidó Marquez, that would otherwise be prohibited by the EO, including dealings with the Venezuelan National Assembly, its members and staff, and any persons appointed or designated by the National Assembly to act on behalf of the Government of Venezuela.

We recommend that U.S. *and* foreign companies carefully vet any transaction involving Venezuela or Venezuelan-owned companies, and use ownership questionnaires and end-use certifications to confirm the ownership of any Venezuelan customers, intermediaries, and other business partners, and the specific end-use.

If you have any questions about dealings with Venezuela or Venezuela-related sanctions, please contact your Nixon Peabody attorney, a member of our [Export Controls & Economic Sanctions team](#), or:

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