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Venezuela sanctions - U.S. designates tankers for carriage of Venezuelan oil



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OFAC has announced the designation of four tankers and their related owning companies for “operating in the oil sector of the Venezuelan economy”. It is believed that these ships undertook the carriage of oil loaded in Venezuela. A copy of the designation notice can be found [here](#) OFAC Recent Actions.

The accompanying announcement from the U.S. authorities noted that:

“Today the United States imposed sanctions against four companies for operating in the oil sector of the Venezuelan economy. These companies are transporting oil that was effectively stolen from the Venezuelan people. Theft of Venezuela’s oil assets for the benefit of the illegitimate regime of Nicolas Maduro is unconscionable, and those that facilitate this theft risk losing access to the U.S. financial system.

Maduro’s corrupt regime is directly responsible for the political, economic, and humanitarian crisis in Venezuela. The international community should increase pressure against the Maduro regime until it relinquishes its illegitimate hold on power. The United States will continue to increase pressure on Maduro and his enablers until a democratic transition begins.”

Previous News Items on Venezuelan sanctions have cautioned Members to assess the risks of undertaking these trades, with the Club’s U.S. attorneys Freehill Hogan and Mahar noting in our News Item of 23 April 2020 that “...Venezuelan-origin petroleum and petroleum products may become a direct focus of the U.S.’s sanctions policy. As such, any voyages involving the carriage of such may present sanction risks.”

These latest designations would appear to confirm that advice and the U.S. statement to be a clear warning of their intent to take action against those parties they believe to be operating in the oil sector of the Venezuelan economy.

Members considering trades involving the Government of Venezuela, its agencies and any entity in which it holds a 50% or greater interest including PdVSA are therefore strongly advised to carefully assess the potential risks. Becoming designated and placed on the SDN list would have grave consequences for the future trading and sale of any vessel and for the continued operation of insurance cover.

As always, Members with specific questions concerning these measures and any other sanctions matters should contact the Managers.