

**CLIENT ALERT: U.S. ISSUES GENERAL LICENSE 44A PERMITTING WINDING DOWN OF OIL AND GAS OPERATIONS IN VENEZUELA THROUGH MAY 31, 2024**

**April 19, 2024**

On April 17, 2024, OFAC issued General License 44A entitled “Authorizing the Wind Down of Oil and Gas Sector Operations in Venezuela.” General License 44A replaces and supersedes the prior General License 44.

Section (a) of General License 44A authorizes “all transactions prohibited by the Venezuela Sanctions Regulations, 31 CFR part 591 (the VSR), including transactions involving Petróleos de Venezuela, S.A. (PdVSA) or any entity in which PdVSA owns, directly or indirectly, a 50 percent or greater interest (collectively, “PdVSA Entities”), that are ordinarily incident and necessary to the wind down of any transaction related to oil or gas sector operations in Venezuela previously authorized by Venezuela General License 44 are authorized through 12:01 a.m. eastern daylight time May 31, 2024.” Thus, General License 44A effectively creates a wind-down period until May 31, 2024, for all transactions previously authorized by General License 44, including but not limited to the production, lifting, sale, and exportation of oil or gas from Venezuela, and provision of related goods and services.

Section (b) of General License sets forth several exceptions to the authorization set forth in section (a) as follows:

- (1) Any transactions involving any financial institution blocked pursuant to Executive Order (E.O.) 13850 other than Banco Central de Venezuela or Banco de Venezuela SA Banco Universal;
- (2) The provision of goods or services to, or new investment in, an entity located in Venezuela that is owned or controlled by, or a joint venture with, an entity located in the Russian Federation;
- (3) Any transactions related to new investment in oil or gas sector operations in Venezuela by a person located in the Russian Federation or any entity owned or controlled by a person located in the Russian Federation;
- (4) Any transactions prohibited by subsections 1(a)(i) — (iii) or 1(b) of E.O. 13808, other than the transactions described in paragraphs (a)(2) and (a)(4) of this general license;
- (5) Any transactions prohibited by E.O. 13827 (relating to certain virtual assets of the Government of Venezuela) or E.O. 13835 (involving certain debt owed to the Government of Venezuela or certain transactions involving an equity interest in an Government of Venezuela entity); or
- (6) The unblocking of any property blocked pursuant to the VSR.

In conjunction with issuing General License 44A, OFAC also issued an updated list of “Frequently Asked Questions Related to the Suspension of Certain U.S. Sanctions with Respect to Venezuela on October 18, 2023” (the “FAQs”). The FAQs were initially issued along with the original General License 44, but have since been amended and re-issued on a number of occasions.

Notably, FAQ # 1 makes clear that “[e]ntering into new business, including new investment, that was previously authorized under GL 44 will not be considered wind-down activity” under General License 44A. This means that all activities conducted during the wind-down period of April 17 – May 31, 2024, must be performed pursuant to business entered into prior to the issuance of General License 44A on April 17, 2024. FAQ # 1 also makes clear that any U.S. or non-U.S. persons unable to complete transactions or activities covered by General License 44A “are encouraged to seek guidance from OFAC.”

FAQ # 2 and FAQ # 5 also both clarify that the authorizations concerning certain transactions with PdVSA set forth in General License 8M and General License 41 remain in place despite the issuance of GL 44A.

A full copy of General License 44A is available [here](#), and a full copy of the FAQs is available [here](#).

*If you have any questions about the contents of this alert or would like further information regarding U.S. sanctions, please feel free to contact the authors, Bill Pallas at [pallas@freehill.com](mailto:pallas@freehill.com), or Mike Dehart at [dehart@freehill.com](mailto:dehart@freehill.com).*

*This Client Alert is only a general summary for informational purposes. It and its content are not intended to be and should not be used or construed as legal advice. Readers should seek specific legal advice before acting with regard to the subjects mentioned herein.*

FREEHILL HOGAN & MAHAR LLP  
80 Pine Street, 25<sup>th</sup> Floor  
New York, NY 10005  
212-425-1900  
[www.freehill.com](http://www.freehill.com)

*William J. Pallas*  
[pallas@freehill.com](mailto:pallas@freehill.com)

*Michael J. Dehart*  
[dehart@freehill.com](mailto:dehart@freehill.com)