

CLIENT ALERT: U.S. ANNOUNCES CURRENT INTENT TO ALLOW GENERAL LICENSE 44 TO EXPIRE

February 2, 2024

As explained in our prior Client Alert of October 19, 2023, on October 18, 2023, the United States temporarily suspended certain sanctions against Venezuela in response to the recent signing of an electoral roadmap agreement between Venezuela's Unitary Platform and representatives of President Maduro. Notably, the suspension of sanctions included the issuance of General License 44, which broadly speaking temporarily authorized through April 18, 2024, all transactions that are related to oil and gas sector operations in Venezuela. For purposes of the shipping sector, General License 44 temporarily authorized the provision of goods and services concerning "the production, lifting, sale, and exportation of oil or gas from Venezuela."

The October 18, 2023, sanctions suspensions were issued by the United States in response to "concrete steps" taken by representatives of President Maduro to ensure democracy and competitive elections. However, a number of occurrences in the advent of the suspension of sanctions by the United States have caused the United States authorities to reassess the current sanctions policy with respect to Venezuela. In line with this shift in position, on January 30, 2024, the U.S. Department of State issued a Press Release which states that the United States currently expects to allow General License 44 to expire on April 18, 2024, which is the current expiration date under General License 44. Specifically, the January 30th Press Release provides that "[a]bsent progress between Maduro and his representatives and the opposition Unitary Platform, particularly on allowing all presidential candidates to compete in this year's election, the United States will not renew [General License 44] when it expires on April 18, 2024." A copy of this Press Release is available [here](#).

In conjunction with issuing the Press Release concerning its current intention to allow General License 44 to expire, OFAC also issued General License 43(a), which effectively revoked the suspension of sanctions previously issued with respect to CVG Compania General de Minería de Venezuela CA ("Minerven"), the Venezuelan state-owned gold mining company. General License 43(a) sets forth a 14-day wind-down period for all transactions involving Minerven through 12:01 a.m. eastern standard time, February 13, 2024. It is possible OFAC may issue a similar wind-down period in the event General License 44 is revoked before the license expires.

From a practical perspective, the State Department's indication that it currently intends to allow General License 44 to expire means that all voyages involving the Venezuelan oil and gas sector must be completed by April 18, 2024, or the parties involved run the risk of sanctions pursuant to Executive Order 13850. It is still possible that the United States may ultimately choose to extend General License 44 if the Maduro regime reverses course with respect to its democratic commitments, but as of now the United States has expressly stated that it currently intends to allow the license to expire.

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, or Mike Dehart at dehart@freehill.com.

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