

Venezuela - US Sanctions

16th August 2017

The Club has received a number of recent enquiries regarding sanctions against Venezuela, especially in light of President Trump's decision to impose personal sanctions on President Maduro. We therefore take this opportunity to set out the current US sanctions regime against Venezuela (there are currently no equivalent sanctions imposed by the EU), based on advice from the Club's US attorneys Freehill Hogan & Mahar.

There are no cargo-specific sanctions. However, Executive Order 13692 of March 8, 2015 ("the E.O.") cited the Venezuelan government for a variety of abuses and ordered the blocking of any assets in the US, or in the control of US persons, of persons complicit in the abuses complained of, and of the persons named in the Annex to the order or subsequently designated by the Secretary of the Treasury. A copy of the E.O. can be found [here](#).

The E.O. also calls for a blocking of the assets of any person (not just a US person) who has "...materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of..." any person whose property is blocked under the E.O.

More recently OFAC added thirteen people to the Venezuelan SDN list pursuant to the E.O., details of whom can be found [here](#). This brings the list to 37 people (click [here](#) for a full name listing) and further details of each are available by using OFAC's useful [SDN checking tool](#).

Members should ensure that when fixing business for Venezuela they do not to enter into transactions which involve any of the persons named in the SDN list, acting either in a personal capacity or as an officer of a company.

The list now includes Simon Alejandro Zerpa Delgado who is listed as being the Vice President of Finance for the state oil company PDVSA. Members should note however that this this does not prevent trade with PDVSA. OFAC have previously issued an FAQ on the effect of the designation of an official of the Venezuelan government as an SDN:

"505. If an official of the Government of Venezuela is designated as a Specially Designated National (SDN), does that mean that the Government of Venezuela is blocked? What are the prohibitions on U.S. persons dealing with a designated government official or the Government of Venezuela?"

No. The designation of an official of the Government of Venezuela does not mean that the government itself is also blocked. The prohibitions apply to transactions or dealings only with the individuals and entities whose property and interests in property are blocked. However, U.S. persons should be cautious in dealings with the government to ensure that they are not engaged in transactions or dealings, directly or indirectly, with an SDN, for example by entering into contracts that are signed by an SDN, entering into negotiations with an SDN, or by processing transactions, directly or indirectly, on behalf of the SDN, absent authorization or an applicable exemption."

It is consequently reiterated that whilst dealings with PDVSA are not sanctioned, Members should take care not to enter into any contracts executed by Mr. Zerpa Delgado, as that would apparently be construed as a direct or indirect dealing with an SDN.

On 31 July 2017 President Trump also declared that sanctions are to be imposed personally on President Maduro, requiring that his property and interests in property in the US, or in the control of US persons, are blocked and effectively freezing him out of US financial system. Shipping is unlikely to be affected.

Finally, there are further sanctions set forth in the US Venezuelan Defense of Human Rights and Civil Society Act of 2014, but again these would not appear to affect shipping.

US sanctions against Venezuela are clearly in a state of flux and the Club will endeavour to keep Members advised of developments. Any Member with specific questions concerning the impact of these measures and any other sanctions matters should contact the Managers. The Club also maintains a dedicated sanctions webpage, which can be found [here](#).

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