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ALERT MEMORANDUM

Navigating Venezuela Sanctions: Legal Considerations and Anticipated Developments

January 16, 2026

After the apprehension of Nicolás Maduro on January 3, 2026, the White House has actively advocated for Venezuelan market access for U.S. oil companies. Although a regulatory framework under which such investment can occur remains uncertain, any such arrangement will need to account for the sweeping U.S. sanctions that have been imposed against Venezuela over the past decade in response to alleged human rights abuses, corruption, and the erosion of democratic institutions under the Maduro regime. As of writing, these sanctions remain in full-effect, generally blocking the property of the Government of Venezuela ("GoV") and restricting U.S. persons (and non-U.S. persons to the extent they are engaging in dealings within U.S. jurisdiction) from engaging in transactions or other dealings with the GoV, entities owned or controlled by, or acting on behalf of, the GoV, including the state-owned oil company Petroleos de Venezuela, S.A. ("PdVSA"), and certain individuals in leadership of the GoV. Moreover, the U.S. government maintains discretion to impose blocking sanctions against parties determined to engage in certain activities, including operating in the defense and security, financial, oil, and gold sectors of Venezuela, as well as any other sectors as determined by

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the U.S. government in the future. This note provides an overview of key Executive Orders ("E.O.") constituting the Venezuela sanctions framework, including a description of the status of relevant General Licenses ("GL"), and considerations for the future as the White House explores potential arrangements with Venezuela for U.S. oil company market entry.

The Venezuelan Sanctions Framework

Executive Orders[1]

— E.O. 13692 - **Blocking Property and Suspending Entry of Certain Persons Contributing to the Situation in Venezuela**. E.O. 13692, as amended, issued by President Obama in March 2015, imposed targeted sanctions on Venezuela by declaring a national emergency and authorizing the U.S. Department of the Treasury, Office of Foreign Assets Control ("OFAC") to sanction specific Venezuelan officials and entities determined to be responsible for undermining democratic processes, committing human rights abuses, limiting freedom of expression or peaceful assembly, or engaging in public corruption by senior government officials. Since its issuance in 2015, OFAC has designated approximately 150 Venezuelan individuals and three entities as Specially Designated Nationals ("SDN") pursuant to E.O. 13692, as amended, including Nicolás Maduro, his wife Cilia Flores, and Venezuelan Vice-President Delcy Rodriguez. The designation of a person on the SDN List – also referred to as "blocking sanctions" – results in all "property" in which the SDN has a direct or indirect interest (broadly construed to include securities and other financial or intangible assets), and that is in the "possession or control" of a U.S. person or located in the United States, being "blocked" as a matter of law. U.S. persons generally are prohibited from engaging in transactions or other dealings with blocked persons and entities that are 50% or more owned by one or more blocked persons.

— E.O. 13808 - **Imposing Additional Sanctions With Respect to the Situation in Venezuela**. In 2017, President Trump issued E.O. 13808, as amended, expanding restrictions to Venezuela's financial sector in response to continued concerns about human rights abuses, ongoing corruption, and the controversial establishment of a Constituent Assembly. E.O. 13808 prohibits all transactions related to new GoV equity or debt with a maturity of greater than 30 days, all previously issued GoV bonds or newly issued PdVSA debt with a maturity of greater than 90 days, and distributions of profits to or purchase of any security from the GoV, severely restricting Venezuela's access to U.S. capital markets and financing.

— E.O. 13850 - **Blocking Property of Additional Persons Contributing to the Situation in Venezuela**. In November 2018, President Trump issued E.O. 13850, as amended, which established additional grounds to block property and interests in property and prohibit dealings with persons determined to operate in designated sectors of the Venezuelan economy (such as gold or oil) or engage in corrupt transactions with the Maduro government. Pursuant to E.O. 13850, OFAC designated PdVSA in January 2019 for operating in the oil sector of the Venezuelan economy, blocking all of PdVSA's property subject to U.S. jurisdiction and prohibiting U.S. persons from dealing with the company in the absence of a

[1] This note focuses on the core E.O.s relating to Venezuelan sanctions that are most relevant in this context – namely, those directly linked to restrictions on engagement with Venezuela's oil sector and the Maduro regime. There are certain other E.O.s, including E.O. 13857 (amending the definition of the GoV across related E.O.s), E.O. 13835, as amended, (prohibiting the purchase of any debt owed to the GoV and transactions related to the sale, transfer, assignment, or pledging as collateral by the GoV of any equity interest in an entity owned 50 percent or more by the GoV), and E.O. 13827, as amended, (prohibiting dealings in any digital currency, digital coin, or digital token, that was issued by, for, or on behalf of the GoV) that also relate to Venezuelan sanctions but are less pertinent for the purposes of this discussion.

license. Relying on the same authority, OFAC also has sanctioned Venezuela's Central Bank (Banco Central de Venezuela) and the National Development Bank (Banco de Desarrollo Economico y Social de Venezuela, or BANDES).

— E.O. 13884 **- Blocking Property of the Government of Venezuela**. The United States further escalated sanctions in August 2019, when President Trump issued E.O. 13884, which blocked all property and interests in property of the GoV. The practical effect of these sanctions turns on the broad definition of the GoV. Pursuant to E.O. 13884, the GoV is broadly defined to include government agencies, the Central Bank of Venezuela, PdVSA, any entities owned or controlled directly or indirectly by the government, and anyone acting on behalf of the government, including members of the Maduro regime. As a result, with the exception of certain limited licensed or authorized activities (*see* GL 34A and GL 35), U.S. persons generally are prohibited from engaging in transactions or other dealings, either directly or indirectly, involving the GoV, even if those individuals or entities they are dealing with do not appear on OFAC's SDN List, or property in which the GoV has an interest (broadly defined to include intangible property, contingent interests, and interests short of legal title) (*see* E.O. 13884, described in further detail in our alert memorandum here).

Together with E.O.s 13808 and 13850, as well as OFAC's interpretation of "property" to include securities issued by blocked entities, E.O. 13884 imposes broad restrictions on dealings in bonds and other financial instruments issued by the GoV and PdVSA, subject to certain general licenses authorizing secondary market trading and other dealings relating to bonds issued prior to August 25, 2017 (*see* GL 3I and GL 9H, described in further detail in our blog post here).

General Licenses

After the maximum pressure campaign adopted by the first Trump administration against Venezuela, the Biden administration initially demonstrated an openness to potentially ease sanctions against Venezuela. With respect to the oil and gas sector, on November 26, 2022, OFAC issued GL 41 authorizing certain activities relating to the operation and management of Chevron-PdVSA joint ventures, including, primarily, production and lifting of oil and petroleum products and import of related goods. On October 18, 2023, in response to commitments toward electoral reform in Venezuela, OFAC issued, among various licenses, GL 44, authorizing until April 18, 2024, all transactions related to oil or gas sector operations in Venezuela that were otherwise prohibited by the Venezuela sanctions program, including, among other activities, new investment in oil or gas sector operations in Venezuela, the production, lifting, sale, and exportation of oil or gas from Venezuela, and provision of related goods and services. Renewal of GL 44 was contingent on the Maduro regime's commitment to electoral integrity and reform. The easing of sanctions during this time period is described in our previous blog post here.

On April 17, 2024, in light of Venezuela's continued failure to implement anticipated electoral reforms, OFAC issued GL 44A, which superseded GL 44 and authorized, through May 31, 2024, transactions ordinarily incident and necessary to the wind down of any transaction previously authorized by GL 44. Additional information with respect to the expiration of GL 44 can be found in our blog post here.

On March 4, 2025, following President Trump's termination of certain Biden administration authorizations, OFAC amended GL 41 by issuing GL 41A (and subsequently GL 41B) authorizing, through April 3, 2025 (and then May 27, 2025), only the wind down by Chevron of its previously authorized operations in Venezuela. This action was taken in light of Venezuela's failure to implement agreed electoral reforms and repatriate certain Venezuelan nationals accused of crimes in the United States.

The revocation of these general licenses effectively restored the more stringent sanctions regime previously imposed on Venezuela.

Looking Forward: Challenges for U.S. Oil Companies and Diplomatic Engagement

The landscape for U.S. oil investment in Venezuela remains fluid. Although the White House has signaled strong support for Venezuelan market access for U.S. oil companies – most notably by recently hosting oil executives at the White House – industry executives are reported to have expressed caution about committing capital to the Venezuelan market given the ongoing uncertainty and the experience U.S. companies previously faced from fluctuating sanctions. As of this writing, no firm investment commitments have been announced. However, on January 9, 2026, President Trump issued E.O. 14373, which blocks courts and creditors from accessing Venezuelan oil sale proceeds held by the U.S. Treasury as Foreign Government Deposit Funds. E.O. 14373, described in detail in our alert memo here, declares that all attachments, judgments, and other judicial orders targeting these funds are null and void, and that the funds are not the property of Venezuela's private creditors. This order suggests that the White House is taking initial steps toward establishing a regulatory framework to facilitate investment in Venezuela's oil market by U.S. companies.

Almost all U.S. sanctions targeting Venezuela are imposed pursuant to the International Emergency Economic Powers Act ("IEEPA"), meaning the President has broad unilateral authority to issue licenses and modify or suspend the executive orders that have previously imposed sanctions. In the near term, the current sanctions framework creates compliance obstacles for U.S. companies seeking to operate in Venezuela, and OFAC has not yet issued any general licenses that would be required for industry-wide investment and operational activities the administration has promoted. Looking ahead, even after the White House implements its stated intention to "selectively roll[] back sanctions to enable the transport and sale of Venezuelan crude and oil products to global markets," U.S. companies would still confront significant non-sanctions related challenges, including the lack of maintenance of Venezuela's oil infrastructure and other legal and operational considerations.

Given these risks, U.S. oil companies considering entry into the Venezuelan market will likely require robust investment protections, including credit support, political risk insurance, and assurances regarding cost recovery and repatriation of profits. Without such safeguards, the risk-reward calculus for U.S. investment in Venezuela's oil sector remains challenging if sanctions are substantially eased, particularly as we expect the White House to use sanctions relief as leverage while maintaining pressure for democratic reform and expanded access to oil markets. As of this writing, White House officials have acknowledged a "three-step" plan for Venezuela. The immediate goal for Venezuela is to stabilize the country, followed by economic recovery and, ultimately, a transition to rebuilding civil society.

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Cleary's international trade team is continuing to track developments on the White House's evolving approach to Venezuela and is available to provide guidance on navigating the rapidly evolving regulatory environment.

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