

ALERT MEMORANDUM

OFAC Authorizes Upstream Venezuelan Oil and Gas Sector Services, Issues New FAQs

February 13, 2026

On February 10, 2026, the U.S. Department of the Treasury, Office of Foreign Assets Control (“OFAC”) issued [General License \(“GL”\) 48](#), authorizing additional upstream activities for the operation and support of oil and gas exploration and production activities in Venezuela. Specifically, GL 48 authorizes transactions that are ordinarily incident and necessary to the provision from the United States or by U.S. persons of goods, technology, software, or services for the exploration, development, or production of oil or gas in Venezuela. This includes transactions for the maintenance of oil or gas operations in Venezuela, including the refurbishment or repair of items used for oil or gas exploration, development, or production activities, addressing the acute need for repair of aged Venezuelan oil and gas infrastructure.

GL 48 is the third general license relating to the Venezuelan oil sector issued by OFAC within the previous two weeks, following [GL 46A](#)¹ (authorizing certain midstream and downstream activities, including the lifting, refinement, and trade of Venezuelan-origin oil) and [GL 47](#) (authorizing the export, sale, and supply of U.S.-origin diluents to Venezuela).² Although

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¹ OFAC issued GL 46 on January 29, 2026. On February 10, 2026, OFAC issued [GL 46A](#), which amended GL 46 to clarify that payments for local taxes, permits, or fees are excluded from the requirement to be deposited into Foreign Government Deposit Funds.

² Consistent with [GL 46A](#) and 47, GL 48 also authorizes the processing of payments, arranging shipping and logistics services, including chartering vessels, obtaining marine insurance and protection and indemnity coverage, and arranging port and terminal services, including with port authorities or terminal operators that are part of the GoV.



GL 48 is the first among the licenses also to authorize activities relating to the Venezuelan gas sector, as with the earlier licenses, GL 48 is subject to a number of limitations and conditions that continue to require careful consideration by commercial actors.³ In particular, GL 48 does not expressly authorize new investments that would otherwise be prohibited, and provides that the formation of new joint ventures or other entities in Venezuela to explore or produce oil or gas is not authorized. The limited scope of GL 48 is notable given that the amended Venezuelan Hydrocarbons Law expressly allows private parties to be involved in “primary activities” (exploration, extraction, collection, transportation and initial storage of hydrocarbons) based on contracts with companies wholly owned by the Government of Venezuela (“GoV”) or joint ventures in which the GoV or Petróleos de Venezuela, S.A. (“PdVSA”) has a controlling interest greater than 50%. The private party in such contracts will need to be domiciled in Venezuela, but its shareholders may be foreign. Such contracts must also provide for local courts or alternative dispute resolution mechanisms (mediation or arbitration), be approved by the GoV, and be subject to potential on-going amendments by the executive branch to maintain “economic-financial equilibrium.”

Although Venezuela’s domestic law contemplates expanded upstream participation, absent further action by OFAC, such as a more expansive upstream-specific general license expressly authorizing new investments into the same, or case-by-case specific licenses, U.S. persons, including established U.S. entities, continue to face significant uncertainty with respect to new investments in upstream-related activities in Venezuela, beyond the provision of goods, technology, software and services as authorized by GL 48.

GL 48 Limitations and Conditions

Activities that are prohibited by OFAC sanctions against Venezuela and that do not meet the limitations or conditions of GL 48 below remain unauthorized:

- Prohibited Formation of New Entities. GL 48 does not authorize the formation of new joint ventures or other entities in Venezuela to explore or produce oil or gas.
- Choice of Law. All contracts for transactions entered into under GL 48 must be governed by U.S. law and require dispute resolution to occur in the United States.
- Payments and Payment Terms. GL 48 requires that any monetary payment to a blocked person (excluding payments for local taxes, permits, or fees) be made into Foreign Government Deposit Funds, as specified in Executive Order 14373, or any other account as instructed by the U.S. Department of the Treasury.⁴ GL 48 does not authorize payment terms that are “not commercially reasonable,” debt swaps, gold payments, or digital currency, coins, or tokens issued by, for, or on behalf of the GoV (including the petro).
- Counterparty Restrictions. GL 48 does not authorize transactions involving persons located in or organized under the laws of Russia, Iran, North Korea, Cuba, or China, or entities that are owned or controlled, directly or indirectly, by, or in a joint venture with, such persons.
- Blocked Vessels. GL 48 does not authorize transactions involving blocked vessels.
- Blocked Property. GL 48 does not unblock any property previously blocked pursuant to the Venezuela Sanctions Regulations, 31 CFR Part 591.
- Transaction Reporting. Parties engaging in the export, reexport, sale, resale, or supply of goods, technology, software, or services pursuant to GL 48 must submit reports to the U.S. government containing the following information for each transaction: (i) the parties involved; (ii) the goods, technology, software, or services involved, including quantities and values; (iii) the dates the transactions occurred; and (iv) any taxes, fees, or

³ See our analysis of GL 46 [here](#) and our analysis of GL 47 [here](#).

⁴ See our analysis of Executive Order 14373 [here](#).

other payments provided to the GoV. These reports must be submitted ten days after the execution of the first of such transactions and every 90 days thereafter.

Additionally, GL 48 does not relieve parties from compliance with requirements of other federal agencies, including the U.S. Department of Commerce, Bureau of Industry and Security. GL 48 contains no expiration date but remains subject to revocation by OFAC at any time.

New OFAC FAQs Relating to GL 46A⁵

On February 6, 2026, OFAC issued [ten new Venezuela-related Frequently Asked Questions](#) (“FAQs”) addressing key aspects of GL 46A. The newly published FAQs clarify the range of transactions that may qualify as ordinarily incident and necessary for the midstream and downstream activities listed in GL 46A and provide additional explanation of key contractual requirements present in all three licenses. Companies considering engagement in Venezuela’s oil sector should carefully review the FAQs alongside GLs 46A, 47 and 48, as well as GL 30B, which authorizes certain transactions ordinarily incident and necessary to operations or use of ports and airports in Venezuela, to ensure compliance with OFAC’s requirements.

“Ordinarily Incident and Necessary” Activities

OFAC’s guidance provides examples of activities considered “ordinarily incident and necessary” to the lifting, exportation, reexportation, sale, resale, supply, storage, marketing and other operations listed in GL 46A. [FAQ 1227](#) begins by defining “lifting” to include the physical loading and removal of oil from a terminal, storage facility, or production site for delivery to a buyer. In addition, [FAQ 1227](#) confirms that authorized conduct includes legal, technical, and commercial advisory work necessary to scope purchases of Venezuelan-origin oil, including engagement with third-party legal, commercial and due diligence consultants. OFAC also clarifies that a range of scoping

and logistics activities are authorized, including: conducting site surveys and safety, environmental, and other relevant inspections; arranging logistics, security services, delivery points, and shipping preparation; coordinating payment structures, including payments in the form of swaps of oil, diluents, or refined petroleum products; making required repairs and maintenance to certain pipeline, storage, or port infrastructure; conducting downstream activities, such as the refining and resale of Venezuelan-origin oil; and financing of related cargos or receivables.

“Established U.S. Entity” and Compliance Expectations

OFAC’s emphasis on “established U.S. entities” appears to rest in part on the expectation that such entities are already familiar with, and accountable for, U.S. sanctions compliance. *See FAQ 1229*. This expectation further underscores the continuing compliance obligations on U.S. participants in Venezuela’s oil sector – in particular, that the exported oil will be sold through legitimate and authorized channels and the proceeds would be deposited into the Foreign Government Deposit Funds. However, [FAQ 1230](#) clarifies that entities which are not “established U.S. entities” may still be involved in transactions authorized by GL 46A. OFAC notes that notwithstanding GL 46A’s requirement of an “established U.S. entity” for authorized activities when dealing *vis-à-vis* PdVSA or the GoV entities, non-U.S. persons may participate in certain activities that are ordinarily incident and necessary to the established U.S. entity’s authorized transactions, including transport, logistics, insurance, financing, leasing, and contracts for infrastructure repair or maintenance services.

Contractual Requirements

OFAC also provided additional guidance on key contractual requirements under GL 46A. In [FAQ 1232](#), OFAC clarifies that “commercially reasonable terms” means terms consistent with market and industry standards for similar products, considering factors such

⁵ OFAC issued the FAQs described in this blog post on February 6, 2026, before amending GL 46 to GL 46A on February 10, 2026. As of writing, the FAQs still reference

GL 46 and have not yet been updated to reflect GL 46A. We refer to the operative version, GL 46A, throughout this post.

as quality, price, and performance, as well as governance, operational, and legal/compliance requirements typical of arm's length transactions. [FAQ 1233](#) further clarifies that not all parties in a GL 46A-authorized transaction must have contracts with GL 46A's dispute-resolution requirement, but rather that requirement applies to contracts between an established U.S. entity and the GoV, PdVSA, or any entity in which PdVSA owns, directly or indirectly, a 50 percent or greater interest. Thus, the requirement does not apply to contracts with indirect parties or counterparties, such as those involved in downstream transactions for shipping services or insurance coverage.

It remains to be seen how the potential conflict between the contractual requirements of the Hydrocarbons Law and the uncertainty under U.S. sanctions with respect to new investments in exploration, development, and production activities will be reconciled. Specifically, if the U.S. government requires provisions similar to those in GL 46A, GL 47, and GL 48 (mandating that U.S. law control, requiring dispute resolution to occur in the United States, and requiring "commercially reasonable terms"), such requirements may conflict with the Venezuelan Hydrocarbons Law requirements for such contracts, such as dispute resolution in local courts or arbitration, and the GoV's discretion to amend the contracts to maintain "economic-financial equilibrium."

Cleary's international trade team continues to monitor developments regarding the Trump administration's evolving approach to Venezuela and is available to offer guidance on managing the rapidly changing regulatory landscape.

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