

# OFAC Expands Venezuela Sanctions Relief to Fertilizers and Petrochemical Products, Investment in Petrochemical and Electricity Sectors

March 19, 2026

On March 13, 2026, the U.S. Department of the Treasury, Office of Foreign Assets Control (OFAC) issued three amended General Licenses (GLs), extending authorized activities to include the export of petrochemical and fertilizer products from Venezuela, as well as new investment in the Venezuelan petrochemical and electricity sectors.

The expanded GLs were announced in the context of rising global commodity prices for oil and petrochemical products stemming from the ongoing conflict in Iran, which has placed additional pressure on fertilizer production that relies on petrochemical inputs. Ongoing disruptions to shipping and energy infrastructure in the Middle East have contributed to sharp increases in global oil and fertilizer prices, raising concerns about inflation and agricultural input shortages in the United States.<sup>1</sup> Beyond addressing immediate commodity shortfalls, the amended GLs reflect a broader strategic objective of restoring Venezuela's long-deteriorated industrial base.

Although U.S. sanctions do not expressly prohibit U.S. persons from engaging in activities relating to the Venezuelan petrochemicals, fertilizers, or electricity sectors, the United States has imposed blocking sanctions against the Government of Venezuela (GoV), state-owned oil company

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<sup>1</sup> See Jarrett Renshaw, *US Expands Venezuela Sanctions Waivers in Move to Boost Fertilizer Exports and Electricity Investment*, Reuters, March 13, 2026, available [here](#).



Petróleos de Venezuela, S.A. (PdVSA), and its petrochemical subsidiary, Pequiven. The amended GLs authorize covered activities that involve such sanctioned parties, but do not otherwise modify the core terms, conditions, and limitations of the original licenses. As described in greater detail in our prior analyses, all existing restrictions and limitations under the original licenses continue to apply to the newly authorized activities.<sup>2</sup>

As described below, beyond extending the authorized activities to include those in the petrochemical and electricity sectors, the three license amendments do not otherwise modify the core terms, conditions, and limitations of the original licenses. As we have more fully described in our prior analyses, all existing restrictions and requirements under the original licenses continue to apply in full to the newly authorized activities.<sup>3</sup>

### **GL 46B: Activities Involving Venezuelan-Origin Oil or Petrochemical Products**

In addition to the authorization of transactions relating to the lifting, refinement, and trade of Venezuelan-origin oil already authorized under GL 46, [GL 46B](#) now broadens the scope of the license to include transactions related to Venezuelan-origin petrochemical products for importation into the United States, by “established U.S. entities.”<sup>4</sup> Authorized transactions include those that are ordinarily incident and necessary to the lifting, exportation, re-exportation, sale, resale, supply, storage, marketing, purchase, delivery, or transportation of Venezuelan-origin oil and petrochemical products.

The term “petrochemical products” includes fertilizer products and fertilizer precursor chemicals. A full list of chemicals that fall within the scope of the term “petrochemical products” under the license is included

<sup>2</sup> Our analysis of (i) GL 46/46A is available [here](#), (ii) GL 48 is available [here](#), and (iii) GL 49 is available [here](#).

<sup>3</sup> Our analysis of (i) GL 46/46A is available [here](#), (ii) GL 48 is available [here](#), and (iii) GL 49 is available [here](#).

as an Annex to GL 46B, and includes ammonia, phosphate rock, sodium nitrate, sulfur, and urea.

### **GL 48A: Supply of Goods and Services to Venezuela for Oil, Gas, Petrochemical, and Electricity-Related Activities**

GL 48 authorized certain upstream activities ordinarily incident and necessary to the provision of goods, technology, software, or services for the exploration, development, or production of oil and gas in Venezuela. [GL 48A](#) expands the scope of GL 48 to also cover such upstream activities where they support: (i) the exploration, development, or production of petrochemical products; or (ii) the generation, transmission, storage, or distribution of electricity in Venezuela.

Transactions authorized by GL 48A include 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 48A also authorizes transactions for the maintenance of oil, gas, petrochemical products,<sup>5</sup> or electricity operations in Venezuela, including the refurbishment or repair of items used for oil, gas, or petrochemical products exploration, development, or production activities, or for electricity generation, transmission, storage, or distribution.

### **GL 49A: Negotiations of and Entry Into Contingent Contracts for Certain Investment in Venezuela**

GL 49 authorized all transactions related to the negotiation of and entry into “contingent contracts” relating to operations in the Venezuelan oil and gas sectors – including new investments and expansion of

<sup>4</sup> “Established U.S. entity” is defined as any entity organized under the laws of the United States or any jurisdiction within the United States on or before January 29, 2025.

<sup>5</sup> The term “petrochemical products” includes fertilizer products and fertilizer precursor chemicals, as described in the Annex to GL 48A.

existing operations.<sup>6</sup> [GL 49A](#) expands the scope of activities authorized under the license to include the negotiation of and entry into “contingent contracts” relating to operations in the petrochemical or electricity sectors in Venezuela. Authorized contracts in the electricity sector include contracts to engage in new electricity generation, transmission, storage, or distribution activities in Venezuela. Prior to the issuance of GL 49A, investments authorized under GL 49 were limited to the oil and gas sectors.

GL 49A broadly defines “contingent contracts” to include executory contracts, executory pro forma invoices, agreements in principle, executory offers capable of acceptance such as bids or proposals in response to public tenders, binding memoranda of understanding, or any other similar agreement. All such contracts must make performance expressly contingent upon separate authorization from OFAC, meaning that any performance under a contract authorized by GL 49A cannot occur until OFAC authorizes the final agreement.

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Cleary Gottlieb’s international trade team continues to monitor developments regarding ongoing sanctions and trade developments with respect to Venezuela, and is available to offer guidance on managing the changing regulatory landscape.

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<sup>6</sup> Like both GL 46B and GL 48A, for the purposes of GL 49A, the term “petrochemical products” includes fertilizer

products and fertilizer precursor chemicals, as described in the Annex to GL 49A.