CLEARY GOTTLIEB

ALERT MEMORANDUM

OFAC Issues General Licenses Authorizing Activity in Venezuelan Telecommunications Sector

August 27, 2026

On August 21, 2026, the U.S. Department of the Treasury, Office of Foreign Assets Control (OFAC) issued General License (GL) 61 and GL 62, respectively authorizing the provision of U.S. goods, technology, software, and services in support of telecommunications in Venezuela, and the negotiation of and entry into contingent contracts for new investment in the telecommunications sector of Venezuela. In particular, the GLs authorize transactions involving the Government of Venezuela (GoV), Comisión Nacional de Telecomunicaciones (CONATEL), Venezuela's state-owned telecommunications agency, and Compania Anonima Nacional Telefonos de Venezuela (CANTV), Venezuela's state-owned telephone and internet service provider, which would otherwise be prohibited. [1]

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[1] Neither CONATEL or CANTV are individually designated to OFAC's Specially Designated Nationals and Blocked Persons List, but both are considered blocked persons because they are owned or controlled by the GoV, which is itself a blocked person under Executive Order (E.O.) 13884. *See* E.O. 13884, *Blocking Property of the Government of Venezuela*, 84 Fed. Reg. 152, August 7, 2019, available here.

These GLs are the latest in a line of GLs issued since January 2026 broadening the scope of authorized activity and investment in Venezuela (including in the oil, gas, minerals, petrochemical, electricity, and aviation sectors) and the first GLs to meaningfully expand the scope of authorized activity in the telecommunications sector.[2] Accordingly, they allow for U.S. companies and persons to supply telecommunications-related goods and services to Venezuela and for parties to negotiate new investment in the telecommunications sector — albeit subject to important limitations and, in the case of GL 62, a requirement to obtain further OFAC authorization before contract performance can begin.

GL 61: Authorizing the Supply of Items and Services for Venezuelan Telecommunications

GL 61 authorizes all transactions, including those involving the GoV, CONATEL, and CANTV, that are otherwise prohibited by the Venezuela Sanctions Regulations, 31 C.F.R. Part 591 ("VSR") that are ordinarily incident and necessary to the provision from the United States or by a U.S. person of goods, technology, software, or services for the installation, maintenance, refurbishment, repair, upgrade, operation, or support of telecommunications in Venezuela. This includes transactions related to processing payments and arranging shipping, including air freight, logistics, warehousing, insurance, and delivery services; interconnection and roaming agreements; capacity or infrastructure leases; the laying, maintenance, repair, refurbishment, upgrade, security, operation, or support of submarine cables and other telecommunications infrastructure or equipment; and the provision, licensing, renewal, maintenance, or support of related software, systems, and services.[3] Telecommunications is interpreted broadly under the license and includes data, telephone, internet connectivity, radio, television, news wire feeds, and similar services, regardless of the medium of transmission, including transmission by satellite or through submarine cables.

The terms and conditions of GL 61 are substantially similar to recent Venezuela-related GLs. As with prior licenses in the oil, gas, petrochemical, electricity, mining, and aviation sectors, this license is conditioned on terms and conditions that include mandatory contractual requirements, payment terms, and counterparty restrictions.[4]

- **Choice of Law**. All contracts for transactions entered into under GL 61 must be construed and interpreted in accordance with the laws of a state or other jurisdiction within the United States[5] and require dispute resolution to occur in the United States, the United Kingdom, France, or Singapore.
- **Payment Terms**. GL 61 does not authorize payment terms that are not "commercially reasonable," involve debt swaps or payments in gold, or are denominated in digital currency, digital coin, or digital tokens issued by, for, or on behalf of the GoV, including the petro.

2 Our analysis of (i) GL 46/46C is available here, (ii) GL 47A is available here, (iii) GL 48B is available here, (iv) GLs 49A/50B is available here, (v) GL 52A is available here, (vi) GLs 51B/54A/55 is available here, (vii) GLs 56/57 is available here, and (viii) GL 59/GL60 is available here. Our related client alerts describing Venezuela's recent legislative reform in the electrical and gas sectors and implications for investors are available here and here, respectively.

3 Related transactions ordinarily incident and necessary to operations or use of ports and airports in Venezuela may be authorized under GL 30B.

4 *See*, *for example*, GL 46C, 47A, 51B, and 54A.

5 Note 4 to Paragraph (a) in GL 61 confirms that this governing law requirement permits the inclusion of contract terms that recognize that certain aspects of the underlying activity in Venezuela may be subject to applicable Venezuelan law and regulations, including laws and regulations governing the exercise of Venezuela's sovereign regulatory authority, administrative permits and licenses, concessions, labor, environmental, health and safety, and other mandatory regulatory requirements.

— **Counterparty Restrictions**. GL 61 does not authorize transactions involving persons located in or organized under the laws of China, Cuba, Iran, North Korea, or Russia, or entities that are owned or controlled, directly or indirectly, by, or in a joint venture with, such persons.

— **Formation of New Entities Excluded**. GL 61 does not authorize the formation of new joint ventures or other entities in Venezuela to develop or invest in the telecommunications sector that would otherwise be prohibited.

— **Blocked Vessels and Blocked Property**. GL 61 does not unblock any property previously blocked pursuant to the VSR and does not authorize transactions involving blocked vessels.

— **Transaction Reporting**. Parties engaging in the export, reexport, sale, resale, or supply of goods, technology, software, or services pursuant to GL 61 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 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.

GL 61 contains no expiration date, although it remains subject to revocation by OFAC at any time, and does not relieve parties from compliance with requirements of other federal agencies, including the Federal Communications Commission, the Committee for the Assessment of Foreign Participation in the U.S. Telecommunications Services Sector (Team Telecom), and the Department of Commerce, Bureau of Industry and Security.

On August 21, 2026, OFAC concurrently issued Frequently Asked Question (FAQ) 1266 further describing the activities authorized under GL 61. FAQ 1266 confirms that GL 61 authorizes the provision of financial services for the refurbishment, repair, upgrade, operation, or support of telecommunications in Venezuela, to the extent ordinarily incident and necessary to the authorized telecommunications-related activity and provided the financial services do not involve debt swaps and are otherwise compliant with the payment terms described in GL 61. FAQ 1266 lists specific examples of authorized activity, which includes activity ordinarily incident and necessary to the provision of telecommunications equipment and network infrastructure, including broadband access equipment, components, and spare parts; telecommunications capacity or infrastructure; international telecommunications connectivity; telecommunications software, cloud services, and data storage systems; customer billing systems; and related servers and computer systems.

GL 62: Authorizing Negotiations of and Entry Into Contingent Contracts for Investment in the Venezuelan Telecommunications Sector

GL 62 authorizes all transactions that are related to the negotiation of and entry into contingent contracts for new investment in the telecommunications sector of Venezuela that are otherwise prohibited by VSR, including transactions involving GoV, CONATEL, and CANTV. As with other GLs authorizing contingent contracts in Venezuela,[6] GL 62 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 62 cannot occur until OFAC specifically authorizes the contract.

In practical terms, this means that although negotiations, due diligence, and contract execution are preauthorized, further OFAC specific authorization

6 *See* GL 49A, GL 55, and GL 56.

must be included as a condition precedent to closing. Consequently, a U.S. person generally will be required to apply for and obtain an OFAC specific license before the transaction can close, unless performance under the contract is otherwise authorized, for example, under a separate GL.

GL 62 authorizes a broad range of preparatory activities, including negotiating and entering into contingent contracts to establish new telecommunication service providers in Venezuela, expand existing telecommunications operations in Venezuela, and to form new joint ventures or other entities in Venezuela related to investment in the telecommunications sector. GL 62 also authorizes prefatory steps such as conducting commercial, legal, technical, safety, and environmental due diligence and assessments. As with GL 61, telecommunications is defined broadly, and includes data, telephone, internet connectivity, radio, television, news wire feeds, and similar services, regardless of the medium of transmission.

In addition to requiring that performance of any contract under the license is made expressly contingent upon separate authorization from OFAC, GL 62 contains other limitations and conditions similar to prior licenses authorizing contingent contracts for new investment in Venezuela.[7]

— **No Payment, Contractual, or Reporting Requirements**. Consistent with other Venezuela-related GLs authorizing negotiation of and entry into contingent contracts,[8] GL 62 does not include the full list of restrictions and terms typical of other broader Venezuela-related GLs (including GL 61).[9] GL 62 only authorizes negotiating and entering into contracts, not performance of the contracts themselves. Thus, OFAC retains broad discretion to impose such requirements, including payment, contractual, or reporting requirements, as conditions to any specific licenses that it issues.[10]

— **Prohibited Counterparties**. GL 62 does not authorize any transaction involving a person located in China, Cuba, Iran, North Korea, or Russia, or any entity that is owned or controlled by or in a joint venture with such persons.

— **Other Restrictions**. GL 62 does not authorize the unblocking of any property blocked pursuant to the VSR.

Like GL 61, GL 62 contains no expiration date and remains subject to revocation by OFAC at any time, and does not relieve parties from compliance with requirements of other federal agencies.

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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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7 *Id.*

8 *Id.*

9 *See*, *for example*, GL 48B, GL 50B, GL 51B, GL 52A, and GL 54A.

10 In FAQ 1244, OFAC provided guidance on its approach to evaluating specific license applications submitted in connection with contingent contracts under GL 49A, which authorizes contingent contracts for investment in Venezuela's oil and gas sector. *See* OFAC FAQ 1244. FAQ 1244 indicates that specific licenses requesting authorization to execute contingent contracts under GL 49A will be evaluated on a case-by-case basis consistent with U.S. foreign policy and national security priorities and encourages parties to negotiate contract terms in line with the restrictions in recent Venezuela-related GLs (e.g., counterparty restrictions, requirements for commercially reasonable contract terms). Although FAQ 1244 specifically addresses OFAC's approach to contingent contracts under GL 49A, the guidance may be indicative of OFAC's broader approach to other Venezuela-related general licenses authorizing contingent contracts, including GL 62.