



## General License 44A Issued to Terminate Oil and Gas Operations in Venezuela

By Tinoco Travieso Planchart & Nuñez

General License 44A issued by the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) on April 17, 2024, establishes a deadline until 12:01 a.m. Eastern on May 31, 2024, to engage in prohibited transactions under the Venezuela Sanctions Regime (VSR). Specifically, it includes those operations in which Petróleos de Venezuela S.A. (PDVSA) participates or entities in which it directly or indirectly owns a proportion greater than or equivalent to 50 percent of the share capital, which is ordinarily incidental and necessary to conclude oil and gas operations in Venezuela, previously authorized by the General License 44. The latter consented to certain transactions related to the oil or gas sector in Venezuela, including transactions involving PDVSA.

The **transactions authorized** by General License 44A are the following:

- The production, extraction, sale and export of oil from Venezuela, as well as the supply of goods and services related to said activities. The making of new investments will not be considered an authorized transaction since the purpose of this license is the termination of operations.
- The payment of invoices for the acquisition of goods or the provision of services related to operations in the oil or gas sector in Venezuela.
- The delivery of oil or gas from Venezuela to creditors of the government of Venezuela, PDVSA and its entities for the purposes of debt cancellation.

On the other hand, **transactions not authorized** by General License 44A are the following:

- Carry out operations that involve the participation of financial institutions blocked in accordance with Executive Order No. 13850, in addition to the Central Bank of Venezuela and Banco de Venezuela S.A.
- The supply of goods and services, as well as new investment, with respect to companies located in Venezuela that belong or are controlled directly or indirectly by the Russian Federation, including those joint entities between the government of Venezuela and the Russian Federation.
- Operations related to new investments in the oil or gas sector in Venezuela by persons located in the Russian Federation or any company owned or controlled directly or indirectly by a person located in the Russian Federation.
- Transactions prohibited by Subsections 1(a)(i)-(iii) and 1(b) of Executive Order No. 13808, referring to financing and other agreements regarding debt, capital, new dividend payments and purchases, directly or indirectly from PDVSA or the government of Venezuela.



- Transactions prohibited by Executive Orders No. 13827 and No. 13835, the first related to financial transactions through the use of digital assets or currencies, and the second to the purchase of debt and accounts payable of companies of the government of Venezuela, as well as transactions related to the sale, transfer, assignment or granting as collateral by the government of Venezuela of any shareholding in any entity located in the U.S. in which it has 50 percent or more.
- The unblocking of assets or rights over blocked assets in accordance with the VSR.

The OFAC may consider granting specific authorizations through requests made by individuals. Likewise, the expiration of General License 44 does not prejudice the effectiveness of other specific authorizations related to the aforementioned sectors, such as General License 41 (GL 41), which authorizes transactions related to Chevron Corporation's joint ventures in Venezuela; and the General License 8K, which authorizes transactions involving PDVSA and that are necessary for the limited maintenance of essential operations in Venezuela.

General License 44, issued on Oct. 18, 2023, is replaced in its entirety by this instrument.

Learn more about our [Venezuela Focus Team](#).

---

Information contained in this newsletter is for the general education and knowledge of our readers. It is not designed to be, and should not be used as, the sole source of information when analyzing and resolving a legal problem, and it should not be substituted for legal advice, which relies on a specific factual analysis. Moreover, the laws of each jurisdiction are different and are constantly changing. This information is not intended to create, and receipt of it does not constitute an attorney-client relationship. If you have specific questions regarding a particular fact situation, we urge you to consult the authors of this publication, your Holland & Knight representative or other competent legal counsel.

---