

New General License Reinforces Broad Scope of Sanctions Against the Government of Venezuela

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In the latest development in the complex and evolving sanctions targeting the Government of Venezuela, on September 9, 2019, the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") issued [General License \("GL"\) 34](#). The new GL authorizes transactions involving certain individuals that would otherwise be prohibited by [Executive Order \("E.O."\) 13884](#) because those individuals meet the broad definition of "Government of Venezuela" under that E.O. As defined in section 6(d) of E.O. 13884, that term includes the state and Government of Venezuela, any political subdivision, agency, or instrumentality thereof, any entity owned or controlled by the foregoing, and *any person who has acted or purported to act directly or indirectly for or on behalf of the foregoing*, including as a member of the Maduro regime (emphasis added).

GL 34 authorizes transactions and activities prohibited solely by E.O. 13884 involving individuals who fall within this broad definition and who also fall into one or more of the following categories:

- U.S. citizens;
- U.S. lawful permanent residents (i.e., "green card" holders);
- Individuals in the United States who have a valid U.S. immigrant or nonimmigrant visa, other than individuals in the United States as part of Venezuela's mission to the United Nations; or
- Former employees or contractors of the Government of Venezuela.

GL 34 also authorizes the unblocking of any blocked property or property interests, including the return or processing of funds, for such individuals, provided that the property was blocked solely pursuant to E.O. 13884 and no other blocked person has an interest in the property. U.S. persons unblocking property pursuant to GL 34 are required to file a report with OFAC within 10 business days of doing so.

While this new GL may provide some relief for individuals unintentionally affected by the sanctions imposed on the Venezuelan Government, it reinforces the broad and self-executing nature of the definition of "Government of Venezuela." Notably, OFAC has not provided meaningful guidance to assist regulated parties to identify persons who have acted or purported to act for or on behalf of the government, a concept that is broad, not time-limited, and may require fact-intensive analysis and, ultimately, a subjective judgment. OFAC's revised [FAQ 680](#), published along with the new GL, continues to focus on ownership, rather than other elements of the definition.

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If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

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