

2 May 2024

TO ALL MEMBERS AND ASSUREDS

Dear Sir or Madam

US authorises winding down of oil and gas operations in Venezuela until May 31, 2024

This Circular provides an update to the information in our previous [Circular dated 5 December 2023](#) regarding temporary authorisation of certain transactions relating to oil, gas and gold in Venezuela.

Transactions involving oil and gas

General License 44, authorising transactions relating to oil and gas sector operations in Venezuela expired at 12:01am eastern daylight time on 18 April 2024. It has not been renewed.

General License 44 has now been replaced and superseded by [General License 44A](#), which authorises until 31 May 2024 the winding down of transactions previously permitted under General License 44, including but not limited to:

- the production, lifting, sale, and exportation of oil or gas from Venezuela, and provision of related goods and services;
- the payment of invoices for goods or services related to oil or gas sector operations in Venezuela;
- the delivery of oil and gas from Venezuela to creditors of the government of Venezuela, including creditors of entities in which PDVSA owns, directly or indirectly, a 50 percent or greater interest, for the purpose of debt repayment.

OFAC also issued an [updated list of Frequently Asked Questions](#) (the “FAQs”), where it makes clear that entering into new business, including new investment, that was previously authorized under GL 44 will not be considered wind-down activity under General License 44A. This means that all activities conducted during the wind-down period must be performed pursuant to business entered into prior to April 17, 2024.

FAQs further clarify that U.S. and non-U.S. persons may continue to rely on other authorizations related to Venezuela’s oil or gas sector operations in Venezuela, including [General License 8M](#), “Authorizing Transactions Involving Petróleos de Venezuela, S.A. (PdVSA) Necessary for the Limited Maintenance of Essential Operations in Venezuela or the Wind Down of Operations in Venezuela

for Certain Entities” and [General License 41](#), “Authorizing Certain Transactions Related to Chevron Corporation’s Joint Ventures in Venezuela.”

Members are therefore strongly advised to conclude all carriage of Venezuelan oil cargoes by 31 May 2024 in order not to be in breach of sanctions.

Transactions involving Minerven

We also remind Members that on 29 January 2024 OFAC issued [General License 43A](#) that allowed for a winding down period until 13 February 2024 of transactions involving CVG Compania General de Minería de Venezuela CA (Minerven) (and entities it owns 50% or more), previously authorised by General License 43. After 13 February 2024 it is no longer permitted to engage in any transactions with Minerven. Cover is unavailable for trade that breaches applicable sanctions and Members are recommended to exercise the highest caution when considering shipments to/from Venezuela, when dealing with Venezuelan entities/individuals, and most importantly, when lifting Venezuelan origin cargoes. In that respect, per sanctions' regulators standards, Members should conduct their own enhanced due diligence investigations to avoid any element of illegality (i.e., prohibited cargoes, and/or prohibited activities, and/or SDNs) in their fixtures.

All Clubs in the International Group have issued a similarly worded circular.

Yours faithfully
A BILBROUGH & CO LTD
(MANAGERS)