

President Trump Signs Executive Order Blocking Property of the Government of Venezuela

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Late Monday, President Trump signed an executive order (EO) freezing all assets of the Government of Venezuela subject to U.S. jurisdiction and prohibiting U.S. persons from entering into transactions with it unless exempt or authorized by the U.S. Treasury Department's Office of Foreign Assets Control (OFAC). Specifically, the EO blocks all property and interests in property of persons meeting the definition of the Government of Venezuela that are in, or come within, the United States or the possession or control of a United States person, unless exempt or authorized by OFAC. These prohibitions extend to transactions with entities in which the Government of Venezuela holds a direct or indirect ownership interest of 50% or more, including state-owned enterprises.

The new sanctions do not impose a complete embargo on Venezuela, as they only target the Venezuelan government, specifically the portions of the government controlled by Nicolás Maduro. Indeed, the EO does not prohibit U.S. persons from engaging in transactions involving the country or people of Venezuela, and OFAC has highlighted the U.S. government's commitment to "the unfettered flow of humanitarian aid to the Venezuelan people."

OFAC simultaneously issued numerous general licenses exempting certain transactions from the new prohibitions. These include, for example, general licenses authorizing certain transactions involving the Government of Venezuela that are related to telecommunications and mail; exportation of certain services, software, hardware, and technology incident to the exchange of communications over the

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Practice Areas

Export Controls and Economic Sanctions
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Internet; emergency and other medical services; and certain transactions involving the Government of Venezuela in support of nongovernmental organizations. Importantly, General License 31 authorizes transactions involving the Government of the U.S.-recognized Interim President of Venezuela, Juan Gerardo Guaidó, that would otherwise be prohibited under the EO, including transactions involving any official, designee, or representative appointed by Interim President Guaidó to act on behalf of the Government of Venezuela. General License 31 also generally authorizes transactions involving the Venezuelan National Assembly and any persons appointed or designated by the Venezuelan National Assembly to act on behalf of the Government of Venezuela. In other words, General License 31 effectively restricts the scope of the new sanctions to portions of the Venezuelan government that are controlled by Nicolás Maduro.

Importantly, the EO opens the door for the imposition of secondary sanctions on non-U.S. persons, as it allows the Secretary of the Treasury, in consultation with the Secretary of State, to identify and subject to U.S. sanctions any persons found to have provided support to the Maduro regime, such as by assisting, sponsoring, providing financial, material, or technological support, or providing goods or services to or in support of the Government of Venezuela.

Wiley Rein has unparalleled sanctions compliance experience. Should you have any questions regarding the new sanctions on the Government of Venezuela, please do not hesitate to contact one of the members of the International Trade and National Security practices listed on this alert.