

# Sanctions Policy Developments Offer Insight into U.S.-Venezuelan Trade Relationship

February 23, 2026

In January, following the capture and extradition of Nicolás Maduro, the Trump Administration authorized actions to preserve the proceeds of sales of Venezuelan natural resources and eased certain restrictions on Venezuelan oil transactions by issuing an Executive Order (EO) and several general licenses under the U.S. Department of the Treasury (Treasury), Office of Foreign Assets Control's (OFAC) Venezuela Sanctions Regulations (VSR) program. At the same time, the United States continues to maintain broader sanctions on the Venezuelan energy sector and a range of other parties in Venezuela. As further described below, the Administration's issuance of the noted EO and general licenses, in coordination with other policy actions, signals a renewed intention to resume engagement in the Venezuelan energy sector.

## Overview of U.S. Sanctions on Venezuela Prior to January 2026

In accordance with a series of EOs issued over the past decade, the United States maintains an extensive economic sanctions regime on Venezuela, implemented via the VSR. Most significantly, under EOs 13850 and 13884, the VSR, and specific designations issued by OFAC, the United States has sanctioned the Government of Venezuela (GoV) as well as all entities owned or controlled by the GoV, including the state-owned oil company, Petroleos de Venezuela, S.A. (PdVSA). Although several general licenses have subsequently been granted by OFAC to permit a narrow range of activities involving the GoV and PdVSA, most transactions remain prohibited without a specific OFAC-issued license.

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### Promulgation of E.O. 14373

Shortly after the removal of Maduro as president of Venezuela, President Trump signed EO 14373, “Safeguarding Venezuelan Oil Revenue for the Good of the American and Venezuelan People.” E.O. 14373 effectively shields Venezuelan oil revenues (in addition to revenue from sales of other natural resources and diluents) held in Treasury accounts from attachment, garnishment, or other judicial processes by private creditors, judgment creditors, or commercial actors. The EO recognizes these funds as sovereign property of the GoV, designating them as “Foreign Government Deposit Funds” to be used to advance U.S. foreign policy and promote Venezuela’s economic stability.

### Issuance of Venezuela General Licenses 46-50 by OFAC

On January 29, 2026, OFAC published Venezuela General License No. 46 (GL 46), permitting a wide range of activities involving Venezuela-origin oil that would otherwise be prohibited under the VSR, including transactions with the GoV, PdVSA, and PdVSA subsidiaries. Among other activities, this general license authorizes transactions ordinarily incident and necessary to the purchase, exportation, and sale of Venezuelan-origin oil that has already been extracted, including the refinement and resale of Venezuelan-origin oil, arrangement of logistics, and coordination of payment structures, by an established U.S. entity (*i.e.*, any entity organized under U.S. law or any jurisdiction within the United States on or before January 29, 2025), provided certain conditions are satisfied. In this regard, for example, authorized transactions cannot involve a person located in or organized under the laws of Cuba, Iran, North Korea, or Russia, nor any entity directly or indirectly owned or controlled by or in a joint venture with such persons. Similarly, GL 46 does not cover transactions involving entities located in or organized under the laws of Venezuela or the United States that are owned or controlled by or in joint venture with a person located in or organized under the laws of China. Additionally, sales and other transfers of Venezuelan-origin oil to countries other than the United States are subject to reporting requirements. Note that OFAC later issued General License No. 46A (GL 46A), revising the prior requirement to remit payments to a blocked person into the Foreign Government Deposit Funds (or another account approved by Treasury) to exclude “payments for local taxes, permits, or fees.”

On February 3, 2026, OFAC issued General License No. 47 (GL 47), authorizing the sale of U.S.-origin diluents to the GoV, including PdVSA and PdVSA entities. GL 47, like GL 46A, includes several conditions and limitations. That said, GL 47 does not explicitly limit participation to “established U.S. entities.” It does, however, impose specific reporting obligations on parties that export U.S.-origin diluents to Venezuela, requiring them to submit transaction details to both the U.S. Departments of State and Energy within defined timeframes (in the same manner as GL 46A for sales of oil to foreign countries). These reports are due 10 days following the execution of the first transaction and every 90 days thereafter, assuming such transactions continue.

On February 10, 2025, OFAC published General License No. 48 (GL 48), authorizing U.S. persons to supply “goods, technology, software, or services [ordinarily incident and necessary] for the exploration, development, or production of oil or gas in Venezuela.” These authorized transactions include, for example, the processing of payments; arrangement of shipping and logistics services (*e.g.*, port and terminal services); and

refurbishment of items used in oil and gas exploration, development, or production. GL 48, however, does not permit the formation of new joint ventures (or other entities) in Venezuela to pursue oil or gas exploration or production and includes several other restrictions similar to those set forth in GL 46A. GL 48 also imposes reporting requirements comparable to those in the prior two general licenses on parties engaging in authorized activities, including identical timing obligations.

That same day, OFAC released an amended General License No. 30B (GL 30B), replacing and superseding General License No. 30A. GL 30B removes paragraph (c)(1) from GL 30A, which had stated that “{t}his general license does not authorize: {a}ny transactions or activities related to the exportation or reexportation of diluents.” More broadly, GL 30B authorizes all transactions ordinarily incident and necessary to the operations of ports and airports in Venezuela.

On February 13, 2026, OFAC issued General License No. 49 (GL 49) to authorize transactions involving the negotiation of and entry into contingent contracts for new investment in oil or gas sector operations in Venezuela, provided the performance of any such contract will be expressly contingent upon separate OFAC authorization. OFAC then also published General License 50A (GL 50A), authorizing certain transactions related to oil or gas sector operations in Venezuela of the specific energy entities listed in the Annex to GL 50A.

#### Remaining U.S. Energy-Related Sanctions on Venezuela

Despite the issuance of GLs 46-50, significant restrictions remain in place under the VSR that continue to prohibit most transactions involving blocked property and persons in Venezuela (including the GoV, PdVSA, and entities owned or controlled by either) beyond the narrow authorizations issued by OFAC.

In addition, other areas of the Venezuelan economy remain broadly subject to sanctions. Non-oil sectors such as power infrastructure still face restrictions and specific licensing requirements. Export or reexport transactions to non-U.S. destinations must likewise comply with reporting requirements, and U.S. persons must continue to adhere to recordkeeping and due diligence obligations, among other sanctions compliance requirements. Ultimately, compliance risk remains considerable for industry, as the United States seeks to tightly control energy engagement with Venezuela.

#### Trade Policy Provides Key Context for Understanding the U.S.-Venezuela Trade Environment

Despite the relatively limited immediate impact of the sanctions relief to date, additional recent policy developments indicate the Trump Administration’s desire to support stronger economic ties with Venezuela, and its energy sector as an important first step. To illustrate, on February 3, 2026, the Administration confirmed that the United States returned to the GoV all \$500 million from the initial sale of crude oil as part of the deal, which conveyed control to the United States over the sale of 30-50 million barrels of Venezuelan oil, the proceeds from which are collected in the United States, then disbursed for the benefit of the Venezuelan people at the discretion of the Administration.

At the same time, the Administration seems to be working on diverting Venezuelan energy resources away from high-risk nations (which have, for some time, been primarily other countries subject to U.S. economic sanctions, such as Cuba, Iran, and Russia, or China). In this vein, we note that the recently announced framework for the U.S.-India Trade Agreement includes a commitment by New Delhi to explore opportunities to import Venezuelan oil under a U.S.-approved framework.

Despite the noted policy changes, the GoV has continued signaling to the Chinese government that cooperation on oil and investment remains a GOV priority despite rising U.S.-China economic and political tensions. Venezuelan state media has assured Beijing that its oil pricing will not be dictated by the United States, although the United States is looking to significantly influence where those oil exports are sold. While the current U.S. policy environment proves favorable to potential investors in Venezuelan oil assets, further developments should be closely monitored as a bellwether for potential shifts.

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