Venezuela Sanctions
Plain Language Guide

For business teams, finance departments, and compliance officers who need clear answers — not legal jargon

Updated: May 2026 (Rev. 1) | mrsanctions.com
Revision: GL 5W replaces GL 5V; GLs 55–58 added

NOT LEGAL ADVICE. This is a plain-language summary for general orientation purposes only. Consult qualified legal counsel before making any compliance or transactional decision. Always verify the current state of OFAC general licenses at ofac.treasury.gov.

What Are Venezuela Sanctions?

Venezuela sanctions are rules set by the U.S. government that restrict or prohibit certain business activities involving Venezuela, Venezuelan government entities, and specific Venezuelan individuals. They are administered by the Office of Foreign Assets Control (OFAC), part of the U.S. Treasury Department.

The rules apply to: all U.S. persons and businesses; anyone inside the United States; and non-U.S. companies that use U.S. dollars, U.S. banks, or have U.S. business connections.

> **WHY DO THESE RULES EXIST?** The sanctions were originally put in place to pressure the Venezuelan government over democracy, human rights, and corruption concerns. They have been significantly expanded since 2015 and now include broad economic restrictions. In 2026, after the arrest of Nicolás Maduro, the U.S. government began issuing new licenses to allow more business activity with Venezuela's oil and mining sectors.

Who Is Blocked (Off-Limits)?

Three main categories of people and organizations are off-limits without a special permission (called a license):

- **SDN List individuals and entities** — people and organizations that OFAC has specifically named. Major examples: Nicolás Maduro (still on the list even after his arrest in January 2026), PdVSA (Venezuela's state oil company), Minerven (state gold mining company), and the BCV (Venezuela's Central Bank).
- **The Government of Venezuela as a whole** — under Executive Order 13884, ALL Venezuelan government ministries, agencies, and state-owned companies are blocked, even if they are not individually named. This means you cannot freely do business with any Venezuelan government body without a license.
- **Companies controlled by blocked persons** — the '50% Rule' means that any company owned 50% or more by a blocked person is also blocked, even if not individually named. PdVSA has dozens of subsidiaries around the world that are blocked for this reason, including CITGO Petroleum (which operates U.S. refineries).

IMPORTANT	Checking only the SDN List is not enough. You must also consider the 50% Rule and ask whether any counterparty is part of the Venezuelan government (broadly defined). When in doubt, consult a sanctions attorney.

What Is Always Prohibited — No Exceptions

Some activities are completely off-limits, with no license available:

- **The Petro cryptocurrency** — Venezuela's state digital currency is 100% prohibited. You cannot buy, hold, trade, or accept Petro for any reason.
- **CITGO equity dealings** — selling, transferring, or using CITGO shares as collateral requires a specific license from OFAC. No general license covers this.
- **Most PdVSA debt dealings** — dealing in PdVSA bonds and debt is heavily restricted and generally requires a specific license.

What CAN You Do? The 2026 Licenses Explained

Starting in early 2026, OFAC issued a series of 'general licenses' (GLs) — government permissions that allow specific types of business activity. You do not need to apply individually for a general license, but you must strictly follow its conditions.

GL 46B	U.S. companies (established before Jan. 29, 2025) can buy, sell, transport, store, and trade Venezuelan oil and petroleum products.	Must be a qualifying U.S. company. Cannot pay cash directly to PdVSA — must use the government deposit system (FGDF).
GL 47	U.S. companies can sell American-made diluents (oil-thinning chemicals) to Venezuela including to PdVSA.	Payments to blocked parties must go through the FGDF.
GL 48A	U.S. companies and U.S. persons can provide equipment, technology, software, and services for Venezuela's oil and gas exploration and production.	Payments to blocked parties must go through the FGDF. Does not authorize new debt.
GL 50A	Six specific major oil companies (BP, Chevron, Eni, Repsol, Shell, Maurel & Prom) and their subsidiaries can conduct broad oil and gas operations in Venezuela.	Only these named companies qualify. Payments via FGDF.
GL 51A	Qualifying U.S. companies can export, buy, sell, transport, and refine Venezuelan minerals — including gold.	Payments to blocked parties must go through the FGDF.
GL 52	The broadest license. Qualifying U.S. companies can do a wide range of business directly with PdVSA — including production, export, financing, transportation, and insurance.	Does not cover CITGO equity or PdVSA debt dealings. Payments via FGDF.
GL 55 (NEW)	**Covers additional mining activities not in GL 51A or GL 54 — specifically maintenance and support work for existing mining operations in Venezuela. Available to any person subject to the Venezuela sanctions rules.**	Follow the same payment rules as GL 51A/54. Verify full text at ofac.treasury.gov.
GL 56 (NEW)	**Allows negotiations with the Venezuelan government (broadly defined) to plan and draft contingent contracts across sectors. Available to anyone subject to Venezuela sanctions — broader reach than GL 49A (which only covers oil/gas/electricity deals with PdVSA).**	Contracts cannot be executed without separate OFAC permission. Cannot cover bond deals (EO 13808) or CITGO-type equity deals (EO 13835).

GL 57 (NEW)	**Allows financial services transactions with four Venezuelan state banks: the Central Bank of Venezuela (BCV), Banco de Venezuela, Banco Digital de los Trabajadores, and Banco del Tesoro, and their majority-owned subsidiaries. Any person — not just U.S. companies — can rely on GL 57.**	Does NOT unfreeze already-blocked assets. Anti-money laundering rules still apply. Banks are not forced to process — they can still say no based on their own risk rules.
GL 58 (NEW)	**Allows lawyers, financial advisors, and consultants to provide advice to the Venezuelan government and PdVSA about potentially restructuring their debt. Available to any person subject to Venezuela sanctions rules.**	Advisory work only — does NOT allow actually doing the restructuring deal, negotiating directly between creditors and the government, paying in gold or cryptocurrency, or paying on non-market terms.

Blue-highlighted rows (GL 55–58) are new in this revision. Always check ofac.treasury.gov for the current text of each license — they can change without notice.

URGENT: The CITGO Bond License — GL 5W

■ **DEADLINE: JUNE 19, 2026**	**GL 5W was issued on May 4, 2026, replacing the previous GL 5V.** What it means in plain language: Between May 4, 2026 and June 19, 2026, there is NO active permission for transactions involving the sale or transfer of CITGO shares that were pledged as collateral for the PdVSA 2020 bond (8.5%). What happens on June 19, 2026: If the U.S. government has not issued another extension, the original GL 5 authorization automatically becomes effective. If they have issued another extension, that new document takes over from GL 5W entirely. **Action required: Check ofac.treasury.gov BEFORE taking any action involving CITGO shares and the PdVSA 2020 bond.**

The Special Payment System (FGDF)

One of the most important — and unusual — aspects of the 2026 license framework is the payment rule. When you are authorized to pay a Venezuelan government entity (like PdVSA), you generally cannot wire the money directly to them.

Instead, you must pay into the Foreign Government Deposit Funds (FGDF) — special accounts set up by the U.S. government at U.S. banks. The U.S. government controls these accounts to prevent the money from being seized by creditors suing Venezuela.

The exception: routine local payments like Venezuelan taxes, permits, and fees can be paid directly to Venezuelan authorities.

IMPORTANT	You must set up access to the FGDF account with the U.S. Department of State BEFORE your first authorized transaction. You also have to file reports about your transactions — usually within 10 days of starting, then quarterly. Missing these reports is itself a violation, even if everything else is correct.

What About Non-U.S. Companies?

Many of the 2026 licenses are specifically for 'established U.S. entities.' Non-U.S. companies generally cannot use these licenses as the primary party. However:

- Non-U.S. companies can provide supporting services (shipping, insurance, logistics) to a qualifying U.S. company's authorized activities without facing secondary sanctions risk — as long as they follow the FGDF payment rules and don't involve prohibited parties from Russia, Iran, North Korea, Cuba, or Chinese-controlled entities.
- To qualify for this protection, the non-U.S. company must have been incorporated in a country other than Venezuela before January 29, 2025.
- **GL 55, GL 56, GL 57, and GL 58** do not carry the 'established U.S. entity' requirement — they are available to a broader range of persons.

Key Things to Remember

1. Check the SDN List AND the 50% Rule before dealing with any Venezuelan party.
2. Every Venezuelan government entity is blocked — even ones not on the SDN List.

3. Payments to Venezuelan government entities must go through the FGDF, not directly.

4. Register with the State Department and set up FGDF access BEFORE your first transaction.

5. File initial and quarterly reports — missing them is a violation.

6. GL 5W expires June 19, 2026 — check ofac.treasury.gov immediately if CITGO/PdVSA 2020 bond is involved.

7. GL 57 allows financial services with Venezuelan state banks — but it doesn't unfreeze blocked assets.

8. GL 58 covers debt advisory work only — not the actual restructuring deal.

9. The Petro cryptocurrency is completely prohibited. No exceptions.

10. Keep records of every transaction and compliance decision for at least 5 years.

ALWAYS VERIFY: OFAC can change licenses and rules without advance notice. Before acting on any license, verify the current version at: **ofac.treasury.gov/sanctions-programs-and-country-information/venezuela-related-sanctions**