



## Guidelines for the Renegotiation of the External Public Debt Inherited from the Chavez/Maduro Period

By Holland & Knight

The Venezuela National Assembly recently indicated that the country's debt is currently around \$160 billion. In view of the foregoing, it is relevant to stress that in July, the Special Prosecutor's Office of the Bolivarian Republic of Venezuela [submitted a memorandum](#) describing the policies that will guide the interim government and the National Assembly of the Bolivarian Republic of Venezuela, in light of the "renegotiation of private claims denominated in foreign currency against the Republic and the Venezuelan public sector." Likewise, the memorandum has become relevant because of the sanctions recently imposed on Venezuela by the United States. (See Holland & Knight alert, "[U.S. Imposes Comprehensive Sanctions Blocking Property of the Government of Venezuela](#)," Aug. 7, 2019.)

This document describes the renegotiation strategy, which includes the following: 1) an integral renegotiation of private claims will be carried out, aiming to accumulate as many private claims as possible against the Venezuelan State, 2) only reconciled foreign currency claims will be eligible to participate in the renegotiation, 3) this instrument also indicates that once the claim amount is reconciled and its renegotiation is accepted, all claims in foreign currency will be treated equally, except for "those claims that maintain legitimate preference by reason of a guarantee said claims hold over a property of the Venezuelan State or a public sector agency," and 4) assistance will be requested from various international organizations, such as the International Monetary Fund, in order to address the humanitarian crisis, and develop a long-term program for the country's economic recovery. It should be noted that the memorandum clearly indicates that the previous strategy is subject to the government transition.

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