



United States Authorizes Continuation of Liquefied Petroleum Gas Transactions to Venezuela

By Holland & Knight

The U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) has issued a new license that allows the continuation of transactions related to the export and reexport of liquefied petroleum gas (LPG) to Venezuela. This measure, announced on July 8, 2024, is extended until July 8, 2025.

The OFAC-issued [License 40C](#) authorizes "all transactions related to the export or reexport, directly or indirectly, of liquefied petroleum gas to Venezuela, involving the Government of Venezuela, Petróleos de Venezuela (PDVSA), or any entity in which PDVSA owns, directly or indirectly, a 50% or greater interest." This measure extends the previously established authorization by License 40B, which expired on July 8, 2024.

Although the new license permits the export of LPG, it imposes certain restrictions: 1) transactions in-kind between PDVSA and companies not authorized by the United States are prohibited, 2) any payment in-kind of oil or oil products is prohibited, and 3) any transaction prohibited by the Venezuela Sanctions Regulations (VSR), is explicitly prohibited.

OFAC clarifies that "[n]othing in this general license exempts any person from compliance with the requirements of other federal agencies, including the Department of Commerce's Bureau of Industry and Security."

U.S. sanctions against Venezuela have been a key tool in exerting political and economic pressure on President Nicolás Maduro's regime. These restrictions have significantly impacted the country's ability to market its energy resources, including LPG, a crucial fuel for domestic and industrial uses.

OFAC's authorization could be motivated by several reasons. On one hand, it aims to alleviate the humanitarian crisis in Venezuela, where the shortage of LPG has severely affected the population, which relies on this resource for cooking and other basic needs. Additionally, this move could be part of a broader strategy to facilitate political dialogue and an eventual democratic transition in Venezuela.

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