


# Venezuela Economic Outlook

**By Arca Análisis Económico**

Here is our monthly summary of recent economic developments in Venezuela:

- The macroeconomic outlook for Venezuela in March 2026 reflects a scenario of adjustments and contrasts, where the stabilization expectations outlined at the beginning of the year have faced a more complex operational reality. Following the optimism generated by the consolidation of energy alliances and the new institutional framework for the oil sector, activity contracted by 12 percent in February 2026 compared to November 2025 levels, placing production at an average of 1 million barrels per day. This decline, the lowest level recorded since mid-2024, is mainly due to logistical disruptions caused by a naval blockade in early December 2025.
- In the financial sphere, the stabilization of the foreign exchange market lost its initial momentum during the first 10 weeks of the year. The supply of foreign currency through auctions was lower than in the same period of the previous year, and its execution was hampered by operational difficulties in a banking system still affected by the lingering effects of "overcompliance" and sanctions, temporarily leaving some $400 million held up without a clear possibility of immediate use or deposit for the recipients. This administrative friction, coupled with the temporary uncertainty surrounding the exact flow of oil revenues, prevented market expectations from being anchored, leading to a widening of the exchange rate gap, which has hovered around 50 percent.
- In this context, the central bank's official interest rate has lost traction as a benchmark for price formation in the real economy, largely limiting itself to serving as a marker for tax payments and the adjustment of government bonds. Simultaneously, public spending is entering into a phase of seasonal expansion; after a contraction in the first week of March 2026, a monthly increase of 16 percent is projected, driven by payroll commitments and indexed allocations. This will inject liquidity that will test the authorities' ability to contain inflationary pressures, depending heavily on the timely injection of the expected $465 million to bolster the auctions.
- Alongside the challenges in the hydrocarbon sector, the country is making decisive progress in diversifying its revenue streams, with a key milestone in the gold and critical minerals industry. The recent decision by the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) to issue a license authorizing certain transactions and activities involving Venezuelan gold has catalyzed an immediate legislative response domestically.
- The National Assembly approved the first reading of a comprehensive reform of the Mining Law. This strategic alignment between easing international restrictions and modernizing the national regulatory framework aims to formalize mining operations, guarantee mineral traceability and provide the legal and institutional security essential for attracting large-scale foreign investment, thus consolidating this sector as a key complementary pillar for fiscal recovery.
- Overall, the first quarter of 2026 paints a picture of an economy in full transition, navigating between resolving immediate logistical bottlenecks and capitalizing on a geopolitical environment that




demands its raw materials. Productive and commercial success for the remainder of the year will depend on the speed with which the oil export infrastructure is normalized, the fluidity and transparency of foreign exchange flows to stimulate sluggish private consumption and the effective implementation of ongoing legal reforms – essential elements for transforming bilateral agreements and sanctions relief into robust and balanced economic growth.

Learn more about our Venezuela Strategic Advisory Team.

Information contained in this newsletter is for the general education and knowledge of our readers. It is not designed to be, and should not be used as, the sole source of information when analyzing and resolving a legal problem, and it should not be substituted for legal advice, which relies on a specific factual analysis. Moreover, the laws of each jurisdiction are different and are constantly changing. This information is not intended to create, and receipt of it does not constitute an attorney-client relationship. If you have specific questions regarding a particular fact situation, we urge you to consult the authors of this publication, your Holland & Knight representative or other competent legal counsel.

Copyright © 2026 Holland & Knight LLP. All Rights Reserved.




# Venezuela Drafts New Organic Law of Mines

**By Holland & Knight**

For more than 15 years, mining activities in Venezuela were governed by the 1999 Mining Law, a decree with the status and force of law. Though this law organized the sector based on principles of public utility and state ownership of mineral deposits, it maintained a relatively open framework for private sector participation.

However, in 2015, with the adoption of the Decree with Rank, Value, and Force of Organic Law that Reserves to the State the Activities of Exploration and Exploitation of Gold and Other Strategic Minerals, the Venezuelan state was granted exclusive ownership over the entire value chain of these minerals, effectively closing direct access to both domestic and foreign private capital.

Accordingly, the draft Organic Law of Mines, which seeks to replace the 1999 Mining Law and repeal the 2015 Reserve Law, was approved in its first discussion on March 9, 2026, and is currently awaiting its second debate for final approval.

This draft law introduces two fundamental changes to the regulation of mining exploration and exploitation: 1) the structural opening of the sector to both domestic and foreign private investment through new forms of business participation and 2) the introduction of legal security and dispute resolution mechanisms designed to reduce the perceived risk for international investors.

With respect to the opening to investment, Article 5 of the draft law significantly broadens the range of entities authorized to carry out mining activities. It departs from the 2015 regime, which reserved the exploration and exploitation of gold and strategic minerals exclusively to the state. The new draft law allows such activities to be conducted directly by the state, state-owned enterprises, private companies and mixed enterprises with either minority or majority state participation, and also considers arrangements such as mining brigades and the formalization of artisanal mining.

Regarding legal security and dispute resolution, Article 6 of the draft law establishes as guiding principles the "promotion of domestic and foreign investment" and "legal security for investment," thereby elevating the protection of foreign capital to the status of law in a sector traditionally subject to state discretion. In addition, the explicit recognition of the "economic equilibrium of the contract" as a principle may provide investors with a normative basis to claim compensation in the event of unilateral modifications to agreed terms.

Furthermore, Article 9 of the draft law introduces a provision stating that disputes arising from contracts may be submitted to arbitration without the need for any opinion or authorization to be agreed upon. The inclusion of this provision in an organic law signals an openness to international standards of investment protection.




The draft Organic Law of Mines represents a significant reform for investment in the Venezuelan mining sector, providing a framework that formally welcomes private investment and guarantees legal security, although its effectiveness will ultimately depend on the state's approach to its implementation.

Learn more about our Venezuela Strategic Advisory Team.

Information contained in this newsletter is for the general education and knowledge of our readers. It is not designed to be, and should not be used as, the sole source of information when analyzing and resolving a legal problem, and it should not be substituted for legal advice, which relies on a specific factual analysis. Moreover, the laws of each jurisdiction are different and are constantly changing. This information is not intended to create, and receipt of it does not constitute an attorney-client relationship. If you have specific questions regarding a particular fact situation, we urge you to consult the authors of this publication, your Holland & Knight representative or other competent legal counsel.

Copyright © 2026 Holland & Knight LLP. All Rights Reserved.




# Key Institutional, Regulatory and Sanctions Developments in Venezuela

**By Tinoco Travieso Planchart & Nuñez**

Recently, Venezuela has experienced a number of institutional, regulatory and diplomatic developments that may be of interest to international companies and investors monitoring the country's legal and economic landscape. Among the most relevant are:

- announcement of the restoration of diplomatic and consular relations between Venezuela and the U.S.
- proposal to amend mining legislation and execution of new agreements in the energy sector
- issuance of new licenses by the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC)
- launch of the nomination process for the appointment of the Attorney General of the Republic and the Ombudsman
- entry into force of the Law on Amnesty for Democratic Coexistence

At the international level, Venezuelan authorities announced that, following recent diplomatic contacts with representatives of the U.S. government, both countries would move toward the restoration of diplomatic and consular relations. The announcement comes amid increased bilateral engagement and interest in exploring opportunities for economic cooperation.

From an economic and regulatory perspective, Acting President of the Republic Delcy Rodríguez reported that the National Executive will submit to the National Assembly a proposal to expand mining legislation aimed at encouraging investment in the sector. According to the announcement, the initiative would seek to establish a legal framework that provides greater legal certainty and facilitates cooperation schemes between the Venezuelan state and foreign companies for the development of metallic, non-metallic and strategic minerals.

With respect to the sanction’s regime, OFAC has recently issued new general licenses related to Venezuela. In general terms, these authorizations concern negotiations and contingent investments in hydrocarbons projects, certain operations by international companies in Venezuela's oil and gas sector and specific activities involving Venezuelan gold.

At the institutional level, the Citizen Power Nominations Committee initiated the process for appointing the Attorney General of the Republic and the Ombudsman following the resignation of the incumbents of both offices. In accordance with the constitutional procedure, the committee must submit to the plenary of the National Assembly the list of eligible candidates for potential appointments.




Finally, at the political and institutional level, the Law on Amnesty for Democratic Coexistence was published on February 19, 2026. The law regulates the granting of a general amnesty for crimes and offenses committed in the context of various political events that occurred between 2002 and 2025. The law provides that individuals who are subject to its scope, or who place themselves under its scope following its entry into force, may request its application, including through legal representation when they are outside the country.

The law further establishes that, once a request is filed, the competent court must verify the applicable conditions within a maximum period of 15 consecutive days and, if appropriate, order the dismissal of the case or the annulment of a final judgment, as well as lift personal coercive measures or other measures ordered in the proceeding. As context, the nongovernmental organization Foro Penal reported on March 8, 2026, that it had verified 670 releases of political prisoners since January 8, 2026, and also reported that 526 individuals considered political prisoners remained detained as of that date.

Together, these developments reflect a scenario of institutional and regulatory changes that could affect the legal framework applicable to strategic sectors, as well as conditions for potential investment or economic cooperation projects in the country.

Learn more about our Venezuela Strategic Advisory Team.

Information contained in this newsletter is for the general education and knowledge of our readers. It is not designed to be, and should not be used as, the sole source of information when analyzing and resolving a legal problem, and it should not be substituted for legal advice, which relies on a specific factual analysis. Moreover, the laws of each jurisdiction are different and are constantly changing. This information is not intended to create, and receipt of it does not constitute an attorney-client relationship. If you have specific questions regarding a particular fact situation, we urge you to consult the authors of this publication, your Holland & Knight representative or other competent legal counsel.

Copyright © 2026 Holland & Knight LLP. All Rights Reserved.