Legal and Institutional Developments in Venezuela

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There are new developments in the hydrocarbons sector, institutional progress and regulatory simplification measures affecting Venezuela's legal and economic landscape. Key updates include:

- the announcement of a large-scale project for the development of 17 oil fields through North American Blue Energy Partners (NABEP)
- the implementation of the new hydrocarbons framework through various forms of private-sector participation
- the first agreements reached in talks between the national government and representatives of the National Assembly elected in 2015
- the adoption of tax and administrative simplification measures
- the entry into force of a new lease regime for residential real estate

In the hydrocarbons sector, a large-scale project linked to the development of 17 oil fields in Venezuela stands out, with estimated reserves of approximately 65 billion barrels and a projected investment of up to US$100 billion. According to information released by the White House, NABEP obtained rights to develop the fields and granted the U.S. government, through the U.S. Department of War's Office of Strategic Capital, a 35 percent stake in its parent company. Official U.S. information also indicates that the government will have rights to a portion of the production from the fields operated by NABEP. The Venezuelan government described the initiative as a binational project and highlighted its potential to substantially increase oil production and generate new investment and tax revenues for the country.

Beyond this project, the practical implementation of the new hydrocarbons legal framework continued through various forms of private-sector participation. Recent developments include:

- the formalization of phase II of the license for the exploration and production of non-associated gas in the Lorán Field, located in the Plataforma Deltana
- the execution of new Hydrocarbons Production Participation Agreements (*Contratos de Participación Productiva de Hidrocarburos*, or CPPH)
- the migration to this new regime of projects previously developed under joint venture structures, as occurred on June 5, 2026, when an Italian energy company assumed the role of operator

In addition, the contractual terms applicable to the joint ventures between Petróleos de Venezuela S.A. (PDVSA) and Chevron for Petroboscán, Petropiar and Petroindependencia were adapted to the new legal framework.

On the institutional front, the national government and representatives of the National Assembly concluded the first round of talks that began in August 2026 and announced their first agreements. The parties agreed to initiate a process to transform the justice system, including, among other measures, reforms to the Organic Law of the Supreme Court of Justice and other laws governing the system, as well as a new process for the renewal and appointment of all justices of the Supreme Court of Justice. They also agreed to jointly promote the recovery of Venezuela's international reserve assets deposited with the Bank of England, with transparency, traceability and audit mechanisms for the use of those resources to assist those affected by the earthquakes that occurred on June 24, 2026.

With respect to tax and administrative matters, the National Integrated Customs and Tax Administration Service (*Servicio Nacional Integrado de Administración Aduanera y Tributaria* or SENIAT) adopted measures aimed at simplifying taxpayer obligations and procedures. An amendment to the regulations governing the Tax Information Registry (*Registro Único de Información Fiscal* or RIF) eliminated the three-year validity period of the RIF certificate and, therefore, the need for periodic renewal, while maintaining the obligation to update information when relevant changes occur. SENIAT also repealed the rules requiring certification of the information technology systems used to issue invoices and other tax documents, as well as the conditions and requirements applicable to their providers.

Regarding leases, the Law on the Special Regime for the Lease of Real Estate Intended for Residential Use entered into force and applies to residential lease relationships formalized as of August 7, 2026. The new regime significantly increases flexibility in these relationships by allowing the parties to agree, among other matters, on the rent amount, including in foreign currency, and the term of the agreement. The law also establishes more flexible rules for early termination of agreements, provides specific grounds for landlords to seek termination and allows the use of conciliation, mediation and arbitration mechanisms for dispute resolution.

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