



CIRCULAR FOR P&I CLUBS

28 NOVEMBER 2022

GLOBALPANDI, S.A.
P&I CORRESPONDENTS

NEW GENERAL LICENSE ALLOWS CHEVRON CORP. TO RESUME CERTAIN OPERATIONS IN VENEZUELA

By way of update to our circular dated 19 August 2022, coming out from the current talks between the Venezuela's government and an opposition representation being held at Mexico City, on 26 November 2022, the Department of the Treasury's Office of Foreign Assets Control (OFAC) issued a new modified Venezuela-related General License.

Related to General-License 8K "Authorizing Transactions Involving Petróleos de Venezuela, S.A. (PDVSA) Necessary for the Limited Maintenance of Essential Operations in Venezuela, or the Wind Down of Operations in Venezuela for Certain Entities" and General-License 41, authorizing certain transactions related to Chevron Corporation's Joint Ventures in Venezuela", specifically authorizes:

"Such activities could include, among others, the production and lifting of petroleum or petroleum products produced by the Chevron's JVs, related maintenance, repair, or servicing of the Chevron JVs..."

- (1) Production and lifting of petroleum or petroleum products produced by the Chevron JVs, and any related maintenance, repair, or servicing of the Chevron JVs;
- (2) Sale to, exportation to, or importation into the United States of petroleum or petroleum products produced by the Chevron JVs, provided that the petroleum and petroleum products produced by the Chevron JVs are first sold to Chevron;
- (3) Ensuring the health or safety of personnel or the integrity of operations or assets of the Chevron JVs in Venezuela; and
- (4) Purchase and importation into Venezuela of goods or inputs related to the activities described in paragraphs (a) (1)–(3) of this general license, including diluents, condensates, petroleum, or natural gas products.

Further to it, the OFAC updated their FAQs questions section, issuing two new answers numbered 1098 and 1099 specifically on the matter.

OFAC clarifies that Non-U.S. persons, including foreign financial institutions, generally do not risk exposure to U.S.

sanctions for facilitating transactions or payments for or on behalf of, directly or indirectly, Chevron, its subsidiaries, joint ventures, or contractors that are authorized pursuant to Venezuela GL 41.

Likewise Non-U.S. persons generally do not risk exposure to U.S. blocking sanctions under the Venezuela Sanctions Regulations, 31 CFR Part 591, for engaging in transactions with blocked persons, where those transactions would not require a specific license if engaged in by a U.S. person.

Furthermore, OFAC made clear that Venezuela General License (GL) 41 authorize U.S. persons to provide goods or services for Chevron Corporation's (Chevron) operation and management of its joint ventures (JVs) in Venezuela if such goods and services are for certain activities related to the operation and management of Chevron's joint ventures in Venezuela, as specified in GL 41.

Such activities could include, among others, the production and lifting of petroleum or petroleum products produced by the Chevron's JVs, related maintenance, repair, or servicing of the Chevron JVs.

Sale of petroleum or petroleum products to the United States produced by the Chevron JVs, if the petroleum and petroleum products produced by the Chevron JVs are first sold to Chevron.

The procurement and import into Venezuela of goods or other inputs for

authorized activities; and the processing of payments by U.S. financial institutions related to the foregoing activities.

As pointed out by several analysts, this is a limited authorization from the United States Government granted to Chevron to resume pumping oil from Venezuela following the announcement same day that the Venezuelan government and the opposition group have reached an agreement on humanitarian relief, and will continue to negotiate for a solution to the country's chronic economic and political crisis, ultimately focused on the 2024 general elections. In any case, this move could be seen as a progressive lifting of US sanctions no doubt with further developments next year.

GLOBALPANDI, S.A.

P&I CORRESPONDENTS

Correspondents for:

Britannia, British Marine, Carina, Charterers P&I Club, China P&I Club, EF Marine, GARD, Hydor, ITIC, Korea P&I Club, Nordisk Defence Club (Through Sabatino Pizzolante), North of England P&I Club, MS Amlin, Shipowners P&I Club, Skuld, The Standard P&I Club, Steamship Mutual, The American Club, The London P&I Club, Thomas Miller Specialty, West of England and Through Transport Club (TTC)

Should you need any assistance or further information regarding the topic stated above, please feel free to contact us:

Phones & Fax:

+58-242-3618159/3614453

+58-412-4210545/4210546

E-mail: mail@globalpandi.com

Webpage: www.globalpandi.com

AOH:

Mr. José Alfredo Sabatino Pizzolante

+58-412-4210036 & +507 6469 1784

Mr. Oswaldo Guerreiro

+58-412-4445715

Disclaimer: This Circular is only intended to provide a general summary of the matter referred to, and so it does not constitute a legal advice as such. Specific legal advice should be taken with respect to particular cases.

CONTACT