

MARITIME ACTIVITIES CONSULTANTS S.A.

"CONNECTING YOUR BUSINESS TO THE MARITIME RESOURCES YOU NEED"



TECHNICAL SERVICE CIRCULAR No. 03/2021, Date: 15/02/2021

Subject: "U.S. Maritime Sanctions on Venezuela - Follow-up"

The International Group of P&I has issued (09/02/2021) a respective Circular providing information on the recent designation under maritime sanctions by the Government of the United States of Venezuela's Maritime Authority (Instituto Nacional de los Espacios Acuáticos -"INEA"). INEA was designated under Executive Order 13850 for operating in the oil sector of Venezuela and providing assistance to Venezuela's state-owned oil company, (Petróleos de Venezuela, S.A. - "PdVSA").

Background: As it is well known the United States first imposed sanctions targeting the Venezuelan government in 2015. Both the US and EU have designated individuals associated with the regime. The US maritime sanctions measures targeting the government of Venezuela were significantly extended in January 2019 to target PdVSA. According to the IG P&I while initially thought to have limited direct impact on non-US persons engaged in trade with no US nexus, statements emerging from the US administration during 2019 included warnings that non-US persons dealing with PdVSA might be exposed even in the absence of a US nexus. Prior to being designated to the SDN list, INEA was blocked as a "Government of Venezuela" entity. This meant that, absent US Government authorisation, US persons were prohibited from engaging in virtually any transaction that involves INEA, either directly or indirectly.

Current situation: The publication of GL 30A by OFAC (General License No. 30A "Authorizing Certain Transactions Necessary to Port and Airport Operations") clarifies the dilemma. GL 30A has addressed INEA's designation by authorising all transactions and activities prohibited by E.O. 13850 (Executive order on "Blocking Property of Additional Persons Contributing to the Situation in Venezuela") involving INEA (or any entity in which it owns 50% or more) that are ordinarily incident and necessary to operations or use of ports in Venezuela. Accordingly, the International Group has since obtained guidance from reliable sources who have considered the relevant US legal provisions in the round and have been advised that non-US persons are unlikely to be exposed to sanctions under EO 13850 for using ordinary port services provided by INEA in Venezuela and paying ordinary port expenses to or for INEA, provided such is in connection with non-sanctionable trade.

Maritime Activities Consultants S.A. will follow up on the issue and will produce a further T.S.C. with guidance as and when necessary for the use of our clients.

"SIMPLIFYING YOUR MARITIME NEEDS"



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