

US TREASURY REPORT

WEEK 45 OF 2024

1. Issuance of Amended Venezuela General Licenses and Frequently Asked Question

On 7 November 2024, OFAC has issued [Venezuela General License 5Q](#), "Authorizing Certain Transactions Related to the Petróleos de Venezuela, S.A. 2020 8.5 Percent Bond on or After March 7, 2025," and [Venezuela General License 8Q](#), "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".

[Venezuela General License 5Q](#), "Authorizing Certain Transactions Related to the Petróleos de Venezuela, S.A. 2020 8.5 Percent Bond on or After March 7, 2025, which replaces and supersedes General License No. 5P, dated August 12, 2024, provides that except as provided in this general license, on or after March 7 2025, all transactions related to, the provision of financing for, and other dealings in the Petróleos de Venezuela, S.A. 2020 8.5 Percent Bond that would be prohibited by subsection 1(a)(iii) of Executive Order (E.O.) 13835 of May 21, 2018, as amended by E.O. 13857 of January 25, 2019, and incorporated into the Venezuela Sanctions Regulations, 31 CFR part 591 (the VSR), are authorized.

This general license does not authorize any transactions or activities otherwise prohibited by the VSR, or any other part of 31 CFR chapter V.

[Venezuela General License 8Q](#), "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" , which replaces and supersedes General License No. 8N, dated May 10, 2024, authorizes:

(a) except as provided in this general license, all transactions and activities prohibited by Executive Order (E.O.) 13850 of November 1, 2018, as amended by E.O. 13857 of January 25, 2019, or E.O. 13884 of August 5, 2019, each as incorporated into the Venezuela Sanctions Regulations, 31 CFR part 591 (the VSR), that are ordinarily incident and necessary to the limited maintenance of essential operations, contracts, or other agreements, that:

- (i) are for safety or the preservation of assets in Venezuela;
- (ii) involve PdVSA or any entity in which PdVSA owns, directly or indirectly, a 50 percent or greater interest; and
- (iii) were in effect prior to July 26, 2019, are authorized through 12:01 a.m. eastern daylight time, May 9, 2025, for the following entities and their subsidiaries (collectively, the “Covered Entities”):

- Halliburton
- Schlumberger Limited
- Baker Hughes Holdings LLC
- Weatherford International, Public Limited Company.

(b) Furthermore, except as provided below, the License authorizes through 12:01 a.m. eastern daylight time, May 9, 2025, all transactions and activities prohibited by E.O. 13850, as amended, or E.O. 13884, each as incorporated into the VSR, that are ordinarily incident and necessary to the wind down of operations, contracts, or other agreements in Venezuela involving PdVSA or any entity in which PdVSA owns, directly or indirectly, a 50 percent or greater interest, and that were in effect prior to July 26, 2019 for the Covered Entities.

Transactions and activities necessary for safety or the preservation of assets in Venezuela that are authorized by paragraph (a) of this general license include: transactions and activities necessary to ensure the safety of personnel, or the integrity of operations and assets in Venezuela; participation in shareholder and board of directors meetings; making payments on third-party invoices for transactions and activities authorized by paragraph (a) of this general license, or incurred prior to April 21, 2020, provided such activity was authorized at the time it occurred; payment of local taxes and purchase of utility services in Venezuela; and payment of salaries for employees and contractors in Venezuela.

Paragraph (a) does not authorize:

- (1) The drilling, lifting, or processing of, purchase or sale of, or transport or shipping of any Venezuelan-origin petroleum or petroleum products;
- (2) The provision or receipt of insurance or reinsurance with respect to the transactions and activities described in point (1) above;

- (3) The design, construction, installation, repair, or improvement of any wells or other facilities or infrastructure in Venezuela or the purchasing or provision of any goods or services, except as required for safety;
- (4) Contracting for additional personnel or services, except as required for safety; or
- (5) The payment of any dividend, including in kind, to PdVSA, or any entity in which PdVSA owns, directly or indirectly, a 50% or greater interest.

Furthermore, this general license does not authorize:

- (1) Any transactions or dealings related to the exportation or reexportation of diluents, directly or indirectly, to Venezuela;
- (2) Any loans to, accrual of additional debt by, or subsidization of PdVSA, or any entity in which PdVSA owns, directly or indirectly, a 50 percent or greater interest, including in kind, prohibited by E.O. 13808 of August 24, 2017, as amended by E.O. 13857, and incorporated into the VSR; or
- (3) Any transactions or activities otherwise prohibited by the VSR, or any other part of 31 CFR chapter V, or any transactions or activities with any blocked person other than the blocked persons identified in paragraphs (a) and (b) of this general license. (e) Effective November 7, 2024, General License No. 8N, dated May 10, 2024, is replaced and superseded in its entirety by this General License No. 8O.

Additionally, OFAC has amended one Venezuela-related Frequently Asked Question ([FAQ 595](#)).

FAQ 595 explains that General License 5Q on November 7, 2024, further delays the effectiveness of the authorization in GL 5 until March 7, 2025, which removes E.O. 13835 as an obstacle to holders of the PdVSA 2020 8.5 percent bond gaining access to their collateral.

Related Article:

[OFAC 07/11 - Issuance of Amended Venezuela General Licenses and Frequently Asked Question](#)

2. OFAC SDN List Update: Balkans-related Designations; Issuance of Balkans-related General License

On the 6th November 2024, **the OFAC SDN List has been updated with the Balkans-related Designations of the following individual and entity:**

A. INDIVIDUAL

PERISIC, Vladimir, Bosnia and Herzegovina; DOB 14 Nov 1976; nationality Bosnia and Herzegovina; Gender Male; Passport B0786296 (Bosnia and Herzegovina) (individual) [BALKANS-EO14033] (Linked To: DODIK, Igor).

B. ENTITY

ELPRING D.O.O. LAKTASI, XVI Krajske Motorizovane Brigade 63, Laktasi 78250, Bosnia and Herzegovina; Organization Established Date 17 Jul 2024; Tax ID No. 4405278340001 (Bosnia and Herzegovina); Business Registration Number 57-01-0312-24 (Bosnia and Herzegovina) [BALKANS-EO14033] (Linked To: DODIK, Igor).

Related Publication

[US Treasury/2024.11.06/Balkans-related Designations; Issuance of Balkans-related General License](https://www.treasury.gov/2024.11.06/Balkans-related-Designations;-Issuance-of-Balkans-related-General-License)

The above mentioned individual and entity were designated pursuant to E.O. 14033 for supporting a corrupt patronage network in Bosnia and Herzegovina (BiH) that is attempting to evade U.S. sanctions.

As a result of OFAC's action, all property and interests in property of the persons above that are in the United States or in the possession or control of U.S. persons, or any entities that are owned, directly or indirectly, 50 percent or more by one or more blocked persons, are blocked and must be reported to OFAC. All transactions by U.S. persons or within (or transiting) the United States that involve any property or interests in property of designated or blocked persons are prohibited unless authorized by a general or specific license issued by OFAC, or exempt. These prohibitions include the making of any contribution or provision of funds, goods, or services by, to, or for the benefit of any blocked person and the receipt of any contribution or provision of funds, goods, or services from any such person.

Non-U.S. persons are also prohibited from causing or conspiring to cause U.S. persons to wittingly or unwittingly violate U.S. sanctions, as well as from engaging in conduct that evades U.S. sanctions.

In addition, financial institutions and other persons that engage in certain transactions or activities with the sanctioned entity and individual may expose themselves to sanctions or be subject to an enforcement action. The prohibitions include the making of any contribution or provision of funds, goods, or services by, to, or

for the benefit of any designated person, or the receipt of any contribution or provision of funds, goods, or services from any such person.

Related Publication

[US Treasury/press release/07.11.2024/Treasury Expands Sanctions on Republika Srpska Network Evading U.S. Sanctions](#)

In relation to the above designations, OFAC issued [Balkans-related General License \(No. 5A\)](#), "Authorizing Certain Transactions Involving Pumps Manufactured or Distributed by Kaldera Company EL PGP d.o.o. or Elpring d.o.o. Laktasi for the Treatment or Distribution of Drinking Water."

Balkans-related General License (No. 5A), which replaces and supersedes General License No. 5, dated June 18, 2024, authorizes all transactions prohibited by the Western Balkans Stabilization Regulations, 31 CFR part 588 (WBSR), that are ordinarily incident and necessary to the manufacture, distribution, operation, installation, or maintenance and repair of pumps manufactured or distributed by Kaldera Company EL PGP d.o.o. (Kaldera), Elpring d.o.o. Laktasi (Elpring), or any entity in which Kaldera or Elpring owns, directly or indirectly, individually or in the aggregate, a 50 percent or greater interest, that are currently or are intended solely for use in the treatment or distribution of drinking water.

Related Publication

[US Treasury/06.11.2024/GENERAL LICENSE NO. 5A](#)