



Milbank Insights

Global Risk & National Security Practice

OFAC Issues General License Easing Sanctions on Venezuelan Oil Sector

January 30, 2026

By Bijan Ganji, John Beahn, Pinky P. Mehta, Bridget Golob,
Melis Ulusel



OFAC Issues General License Easing Sanctions on Venezuelan Oil Sector

By Bijan Ganji, John Beahn, Pinky P. Mehta, Bridget Golob, Melis Ulusel

On January 29, 2026, the Office of Foreign Assets Control of the U.S. Department of the Treasury (“OFAC”) issued General License No. 46 (*Authorizing Certain Activities Involving Venezuelan-Origin Oil*) (“General License 46”), authorizing certain transactions that would otherwise be prohibited under the U.S.-Venezuela sanctions program. This development follows the capture of Nicolás Maduro Moros on January 3, 2026 and aligns with new U.S. government policy to promote stability and prosperity in Venezuela by reopening, and encouraging reinvestment in, the Venezuelan energy sector. The Trump Administration previously announced that, in furtherance of this objective, between 30 and 50 million barrels of Venezuelan oil would be sold at market price, with proceeds deposited in overseas accounts that are controlled by the United States, and President Trump separately stated that he anticipates U.S. oil companies to invest at least \$100 billion in the Venezuelan energy sector.

Under the U.S.-Venezuela sanctions program, the Government of Venezuela (the “GoV”) and Petróleos de Venezuela, S.A. (“PdVSA”), and each entity that is owned, directly or indirectly, 50 percent or more, by PdVSA (collectively, the “PdVSA Entities”), are the target of U.S. sanctions that broadly prohibit U.S. persons from engaging in dealings with them and that direct the blocking of their property and interests in property that are within the United States or in the control or possession of U.S. persons. Pursuant to General License 46, however, transactions prohibited under the U.S.-Venezuela sanctions program, including those involving the PdVSA Entities, that are ordinarily incident and necessary to the lifting, exportation, reexportation, sale, resale, supply, storage, marketing, purchase, delivery, or transportation of Venezuelan-origin oil, including the refining of such oil, by an established U.S. entity¹, are now authorized provided that:

- (i) any contract for such transactions with the GoV, PdVSA, or PdVSA Entities specifies that the laws of the United States govern the contract and that any dispute resolution proceedings relating to the contract occur in the United States; and
- (ii) any monetary payment to a blocked person is made into the Foreign Government Deposit Funds², as specified in Executive Order 14373 of January 9, 2026, or any other account as instructed by the U.S. Department of the Treasury.

Transactions authorized under General License 46 include transactions for shipping and logistics services, marine insurance, and port and terminal services, including those involving port authorities or terminal operators that are part of the GoV. General License 46 requires any person that exports, reexports, sells, resells, or supplies Venezuelan-origin oil to countries other than the United States pursuant to General License 46 to provide a detailed report to the U.S. Department of State and the U.S. Department of Energy that discloses, for each of these transactions, the parties involved, the dates of the transactions, the quantities, values, and countries of ultimate destination, and any payments provided to the GoV.

General License 46 specifically excludes, and does not authorize: (1) any transaction involving a person located in or organized under the laws of Russia, Iran, North Korea, or Cuba or any entity that is owned or controlled by, or in a joint venture with, any such person; (2) any transaction involving an entity located in or organized under the laws of Venezuela or the United States that is owned or controlled by, or in a joint venture with, a person located in or organized under the laws of the People’s Republic of China; (3) the unblocking of any property blocked pursuant to the U.S.-Venezuela sanctions program; (4) any transaction involving a blocked vessel; or (5) payment terms that are not commercially reasonable, involve debt swaps or payments in gold, or are denominated in digital currency instruments issued by, for, or on behalf of the GoV.

General License 46 follows a prior general license, General License No. 44 (*Authorizing Transactions Related to Oil or Gas Sector Operations in Venezuela*) (“General License 44”), issued by OFAC in October 2023, which authorized, for a six-month period, certain transactions related to oil or gas sector operations in Venezuela, but under circumstances and with a

¹ These entities must have been organized under the laws of the United States or any jurisdiction within the United States on or before January 29, 2025, one year before the issuance of the General License.

² Pursuant to Executive Order 14373 of January 9, 2026 (*Safeguarding Venezuelan Oil Revenue for the Good of the American and Venezuelan People*), certain Venezuelan oil revenue held in U.S. Treasury accounts are protected from potential attachment or similar judicial process.

scope that carried meaningful differences from General License 46.³ Unlike General License 44, which is no longer in effect, General License 46 does not have an end date, does not specifically authorize “production” of oil from Venezuela or transactions involving Venezuelan gas, and excludes transactions involving entities connected to Iran, North Korea, Cuba, or the People’s Republic of China, in addition to Russia.

Next Steps

U.S. entities seeking to engage in certain transactions relating to the procurement, trading, or transportation of Venezuelan-origin oil will now be able to rely on General License 46, subject to certain conditions, instead of seeking a specific license from OFAC. Meanwhile, non-U.S. entities and U.S. entities formed after January 29, 2025, will need to evaluate transactions on a case-by-case basis to assess whether they would fall within the scope of General License 46, based on an established U.S. jurisdictional nexus, or would require a specific license from OFAC. As a policy matter, issuance of General License 46 marks a significant initial step toward realization of broader U.S. government policy interests in the stability and prosperity of Venezuela and, potentially, the ultimate normalization of diplomatic and economic relations between the United States and Venezuela. Accordingly, the U.S. government may take additional steps to further scale back U.S. sanctions measures in place with respect to Venezuela.

Contacts

John Beahn, Partner
+1 202.835.7520
jbeahn@milbank.com

Bijan Ganji, Partner
+1 202.835.7543
bganji@milbank.com

Adam Brenneman, Partner
+1 212.530.5155
abrenneman@milbank.com

Marcelo Mottesi, Partner
+1 212.530.5602
mmottes@milbank.com

Fabiana Sakai, Partner
+55 11.3927.7781
fsakai@milbank.com

Tobias Stirnberg, Partner
+55 11.3927.7702
tstirnberg@milbank.com

Lawrence Wee, Partner
+1 212.530.5776
lwee@milbank.com

Pinky P. Mehta, Special Counsel
+1 202.835.7561
pmehta@milbank.com

Bridget Golob, Associate
+1 202.835.7508
bgolob@milbank.com

Melis Ulusel, Associate
+1 202.835.7579
mulusel@milbank.com

Please feel free to discuss any aspects of this Client Insight with your regular Milbank contacts or any member of our Global Risk & National Security Practice.

This Client Insight is a source of general information for clients and friends of Milbank LLP. It is not comprehensive as to the full scope of U.S. sanctions relating to Venezuela and provides only a high-level overview of recent developments in the U.S.-Venezuela sanctions program. Its content should not be construed as legal advice, and readers should not act upon the information in this Client Insight without consulting counsel.

© 2026 Milbank LLP

All rights reserved. Attorney Advertising. Prior results do not guarantee a similar outcome.

³ General License 44 was later superseded by General License No. 44A (*Authorizing the Wind Down of Transactions Related to Oil or Gas Sector Operations in Venezuela*), which authorized, until 12:01 a.m. on May 31, 2024, the wind down of certain covered transactions.



Milbank Insights