



OFAC General License 46: What It Authorizes, Who It Applies To, and How to Manage Risk in Venezuelan Oil Transactions

- On January 29, 2026, OFAC issued **General License 46**, authorizing certain activities involving **Venezuelan-origin oil** by **established U.S. entities**, subject to strict and detailed conditions.
- The license does **not dismantle or suspend** the Venezuela sanctions regime; it operates as a **narrow, conditional authorization** within it.
- The greatest risk lies not in the absence of a license, but in **misapplying it**—assuming coverage without verifying that every operational, contractual, and payment condition is met.

1) The broader framework: how OFAC sanctions related to Venezuela operate

As discussed during the recent briefing, OFAC sanctions are **tools of U.S. public policy**, serving economic, foreign policy, and national security objectives. Their application is **not limited** to U.S. territory or U.S. nationals.

In the case of Venezuela, sanctions operate along **three principal axes**:

1. **Individual and entity designations (SDN List):**
Prohibitions on engaging, directly or indirectly, in transactions involving individuals or entities designated as **Specially Designated Nationals and Blocked Persons (SDNs)**.
2. **Activity- and sector-based restrictions:**
Prohibitions targeting specific **categories of activity**, typically established through **U.S. presidential executive orders**, with a central focus on transactions involving the **Government of Venezuela**, including **Petróleos de Venezuela, S.A. (PdVSA)**.
3. **Designation risk for future conduct:**
OFAC's authority to **designate new parties** that engage in certain sectors of the Venezuelan economy—such as oil, minerals, or financial services—absent a valid authorization.

This structure makes sanctions risk both **retrospective and forward-looking**: conduct that appears permissible today may become the basis for enforcement or designation tomorrow.

2) OFAC licenses: the critical distinction between general and specific licenses

A recurring theme in the discussion was the importance of understanding how OFAC authorizations function:

- **General Licenses:**
Public, broadly applicable authorizations published in the Federal Register and on OFAC's website, covering defined categories of persons and transactions without the need for individual application.
- **Specific Licenses:**
Case-by-case authorizations granted through an **administrative application process**, benefiting only the applicant and limited to the approved scope.

Engaging in a prohibited transaction **without an applicable license** may result in **civil, administrative, or criminal penalties**, as well as potential **designation on the SDN List**.

3) What General License 46 specifically authorizes

General License 46, issued on **January 29, 2026**, authorizes certain **ordinary, incidental, and necessary transactions** involving **Venezuelan-origin oil**, provided that all specified conditions are satisfied.

Who may rely on the license?

- **Established U.S. entities**, defined as entities **organized under U.S. law prior to January 29, 2025**.

What activities are covered?

The license authorizes participation in, among other activities:

- Lifting and extraction
- Export and reexport
- Sale, resale, and marketing
- Purchase and supply
- Storage, delivery, and transportation

All activities must relate specifically to **Venezuelan-origin oil** and fall squarely within the scope defined by OFAC.

4) Key conditions that cannot be overlooked

General License 46 is **neither automatic nor expansive**. Its applicability depends on strict compliance with multiple cumulative conditions, including:

- **Eligibility of the parties:** only those expressly defined in the license may rely on it.
- **Scope of authorized activities:** limited to the transactions explicitly described.
- **Governing law and jurisdiction:** underlying contracts must be subject to **U.S. law and jurisdiction**.
- **Payment mechanics:** monetary payments must be directed to **special accounts** established pursuant to recent executive actions.
- **Residual prohibitions:** transactions must not involve any nexus to **Russia, Iran, North Korea, or Cuba**, nor to other activities that remain prohibited.

Failure to meet any of these requirements may trigger **funds blocking**, operational disruptions, and enforcement exposure.

5) How to rely on the license without creating unnecessary exposure

Because General License 46 is a **general license**, no additional filing or approval is required to rely on it. However, this shifts responsibility squarely to the user to ensure full compliance.

Disciplined organizations are adopting a consistent approach:

- Conducting a **transaction-by-transaction review** of activities, counterparties, contracts, and payment flows against the license conditions.
 - Maintaining **robust documentation** to support compliance determinations, anticipating scrutiny by financial institutions and regulators.
 - Assessing **practical risk**, recognizing that even authorized transactions may be delayed or blocked by U.S.-jurisdictional intermediaries if compliance gaps are identified.
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Authorization does not equal relaxed compliance

General License 46 represents a **targeted, technical authorization**, not a fundamental shift in U.S. sanctions policy toward Venezuela. The core message is clear: **opportunity exists, but the margin for error is narrow.**

Effective compliance in this environment requires a conservative, well-documented, and governance-driven approach—ensuring that every decision is grounded in the precise terms of the license and the broader sanctions framework.

This article is for general informational purposes only and does not constitute legal advice.

Organizations considering reliance on General License 46 should seek tailored legal and compliance analysis before proceeding.

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