



## 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.

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### 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.

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## 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**.

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## 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.

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## 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.

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**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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