



## **SANCTIONS AND BLOCKADE: AGGRESSION TO THE BOLIVARIAN REPUBLIC OF VENEZUELA**

The following report drafted by the People's Power Ministry for Foreign Relations of the Bolivarian Republic of Venezuela, includes arguments and facts that demonstrate the existence – since 2014 – of a hostile and aggressive policy undertaken by the United States of North America (USA) towards Venezuela. This policy is expressed with particular intensity in the adoption of unilateral and coercive measures (sanctions) aiming at affecting the economic and political stability of the Venezuelan democracy, within a framework that intends the overthrowing of the constitutional government, taking the control of economic resources and Venezuela's sovereignty, and it is part of the re-colonization strategy of Latin America and the Caribbean carried forward by Trump's administration, through the re-imposition of the Moroe Doctrine in the continent.



## Regime change

Since the coming to power of the Bolivarian Revolution, with the election of Hugo Chavez as President in 1998, Venezuela is in the sights of U.S. interests in the continent and occupies a privileged place – as a priority target – in its strategy of global domination.

As of 2000, the U.S. defined a "**regime change**" policy towards Venezuela that implies the impossibility for the U.S. Empire to coexist with an original and people's democracy like Venezuela's; it also deems this model as a threat to its scheme of domination and control over the region in the 21<sup>st</sup> century with its vindication of sovereignty, independence and social justice.


This strategy, which led George W. Bush's Administration to finance and support the failed coup d'état of April 2002 against President Hugo Chavez, has undergone a period of acceleration since 2015, when President Barack Obama issued the Executive Order considering Venezuela as an "**unusual and extraordinary threat to the U.S. national security and foreign policy.**"

With the Executive Order 13692 of March 2015, extended since then by both Barack Obama and Donald Trump, the U.S. regimen legalized what was previously an unofficial policy, executed through financial, political, media, paramilitary and diplomatic covert operations, as Wikileaks and hundreds of declassified documents of the U.S. government have shown.

Trump's Administration, influenced by powerful lobbies of Florida State and commercial interests like those of the oil company Exxon Mobil, among others, seeking to snatch the immense wealth and

### **How does the blockade against Venezuela manifest?**

*In the current economic war situation, the international financial system has been constraining the ability of multiple national (public and private) institutions to pay suppliers, beneficiaries, to receive payments, make transactions, manage investment portfolios, meet financial obligations - such as securities and bonds of debts payment - and / or gain access to international financing sources. The purpose of this persecution strategy is clear: collapsing the international trade and Venezuela financial relationship with the world, in order to ruin the national economy.*



resources of Venezuela, has intensified its policy of hostility and has openly stated its intention to remove the legitimate Government of Venezuela from power by any possible method.

A few months ago, Donald Trump himself stated that he had all options open against Venezuela, including among these options, an oil embargo and an eventual military intervention.

In general, and considering its multiple forms, modalities and its growing and aggressive nature, the U.S. policy towards Venezuela in the last two decades, can be undoubtedly considered as a warmongering policy.

The U.S. has defined Venezuela as a "hemispheric enemy" and implements an undeclared war against our country. A war whose objective is the destruction of the Venezuelan democratic model, the annihilation of the people's movement and the leadership on which the Bolivarian Revolution is based, and the retake and takeover of Venezuela's immense natural wealth.

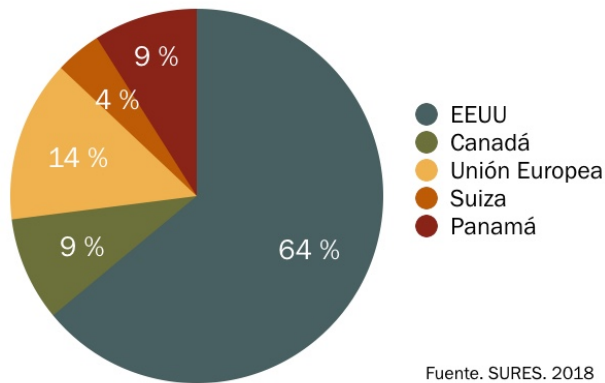
### **Sanctions: the escalation of the aggression**

In this context, since 2017, the U.S. chose to punish Venezuela by applying **unilateral and coercive measures (sanctions)**, particularly in the economic and financial field, as it has been done against countries with which the U.S. Empire maintains a situation of conflict, such as Cuba, Russia, Iran, Syria, Sudan and the Democratic Republic of Korea.

These unilateral, unfair and illegal measures, which have no grounds and violate Public International Law, have been presented by Trump's administration as specific measures against individuals: Venezuelan Government officials, civilians and military staff, as well as against

individuals or companies identified as politically or economically related to the Venezuelan Government. The administration argues that such measures have no negative effects on the Venezuelan population, and on the contrary, these are aimed at improving the country's situation and accelerating its "return to democracy." The measures include the following:

Gráfico 1. Medidas coercitivas unilaterales por Estado o grupo de Estados 2014-2018




Desde 2014 se han emitido catorce actos jurídicos: leyes, decretos o normas sancionatorias contra la República Bolivariana de Venezuela.

- Prohibition of entry into U.S. territory.
- Freezing and seizure of financial assets, accounts in the U.S. financial system and assets that such individuals may own in the United States.
- Prohibition of commercial or financial contact or relations with U.S. entities.
- Sanctions, initially imposed by the OFAC, Office of Foreign Assets Control, agency of the Treasury Department, since the late 2017, are legitimized by special decrees of Trump's administration.

- In all cases, these sanctions have been extended to the relatives of the sanctioned individuals.

As of 2018, individual sanctions have been extended to include general aspects of the economic or financial management of the Venezuelan Government, such as:

- Prohibition of individuals and entities of the U.S. financial sector to carry out operations with bonds of the sovereign debt of the Bolivarian Republic of Venezuela, and in



general, with any financial instrument issued or belonging to the Venezuelan Government, such as the bonds of the PDVSA company.

- Prohibition of individuals and entities of the U.S. financial sector to carry out operations or transactions with the "Petro" crypto-coin, any crypto-currency or monetary instrument of this nature issued or endorsed by the Venezuelan Government.

### **General effects of the sanctions**

Based on the prerogatives provided for in Obama's Executive Order, U.S. sanctions against Venezuela seriously disrupt its national life, especially the economic field, harshly affecting the Venezuelan people. This phenomenon, which has been called economic aggression or economic warfare, produces the following effects:

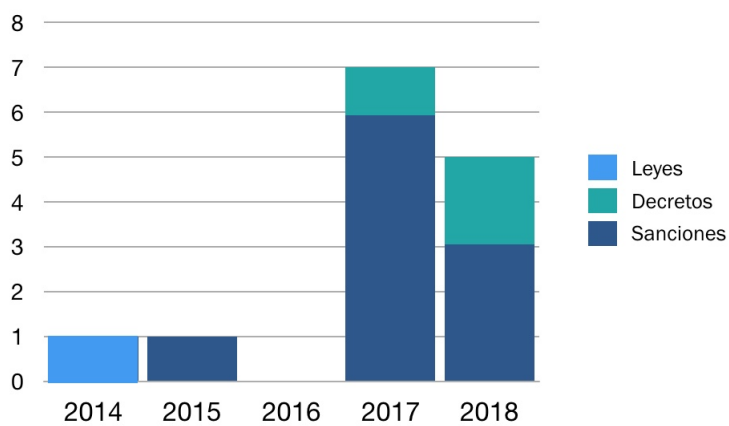
- Interference of the country's international trade, preventing it from having access to food, medicines and essential goods.
- Blocking of accounts, financial operations and transactions, thus preventing or hampering international payment transactions of the legitimate commitments of the Republic, as well as preventing collect operations from international clients of Venezuela.
- Freezing or withholding of legitimate financial resources of Venezuela in banks and other financial entities.
- Delays in the management of buying and selling operations, affecting not only the Government and Venezuelan companies but also their foreign business partners.

These unilateral and coercive measures increase the level of aggression of the U.S. government against

Venezuela and are prove of the U.S. involvement and interference in Venezuelan internal affairs, worsening the critical situation in which the relations between both States have been for several years. Trump's administration has generated an authentic escalation of tensions in the bilateral relation. It is worth noting that, even though Trump's administration has not reached its mid-term, four rounds of sanctions have already been issued against Venezuela.

The general objective of these sanctions is to hit Venezuelan economy, promote an international trade collapse, by blocking and hindering Venezuela's financial transactions, preventing the country from accessing to funding sources and sabotaging the purchase of food, medicines and essential goods; all this with the aim of causing an internal economic crisis which could be used as an excuse to undertake destabilizing actions in the political field.


Gráfico 2. Tipo de medidas coercitivas unilaterales 2014-2018



Fuente. SURES. 2018

Politically, these sanctions are issued at a time when Washington begins to recognize the failure of the internal opposition of Venezuela in its task to generate by itself the Government's collapse.

With these sanctions against Venezuela, the U.S. is recognizing the inability of its internal allies to produce the **“regime change”** and assumes *de facto* the political leadership of the Venezuelan




opposition. The failure of the violent strategy of “*calle sin retorno*” (continued demonstrations in the streets) or that of realizing a “Revolution of color” applied in 2017, is being settled in 2018 with a strategic plan to stifle Venezuelan economy, lead the country to a total ruin, push the population into massive migration or into internal civil conflict, and create the conditions for the so-called “**humanitarian intervention**”, reminiscence of the painful receipt applied to other nations.

The coercive and unilateral measures seek to prevent and hinder any dialogue initiative between the Government and the opposition, thus blocking the path towards constitutional, agreed and peaceful solutions to the Venezuelan situation. The U.S. sabotage to the dialogue process in Dominican Republic between 2017 and 2018, which allowed the beginning of the path towards the political normalization and an improvement of the economic situation, shows that the only policy acceptable to the U.S. administration is the unconstitutional and violent ousting of President Nicolas Maduro.

The U.S. is not seeking to “restore” democracy in Venezuela as they demagogically express in their public speech. The “economic warfare” scheme attempts to force a situation of chaos and violence, making the country ungovernable, thus delegitimizing the constitutional, democratic and electoral path, and provoking the “surrender of Chavismo.” This is what the U.S. calls a “transition” to the “return of democracy”.

### **From individual sanctions to economic blockade**

The U.S. strategy consist in undertaking a global, integral and massive strategy of measures of



economic and financial blockade and sabotage of the economy, along with a global plan of political and diplomatic isolation of the Venezuelan Government and a renewed media campaign of criminalization and symbolic destruction; making it appear like they are issuing **“sanctions to specific persons”**.


In the light of the terrible effects that these sanctions are causing to the entire Venezuelan population, appears perverse to affirm that the U.S. regime is concerned about the well-being of the Venezuelans. By seizing hundreds of thousands of dollars of the Venezuelan people in foreign banks, banning transactions with the sovereign debt bonds of Venezuela, and unleashing a financial persecution against the accounts of the Republic in the world financial system, and specially preventing the access of food and medicines to the country, United States is demonstrating its contempt for the Venezuelan people.

The spokespersons of the U.S. regime have stated that United States shall use all its available resources to achieve its political objective of “overthrowing” the constitutional Government of Venezuela.

The cynical strategy of the aggression against Venezuela also has as essential element the promotion and encouragement of migration of a significant number of Venezuelan citizens to neighboring countries. This condition is fundamental to position the story of the “humanitarian crisis” in the international community, which should force an international intervention in Venezuela.

In this context, President Trump uses the OAS as a weapon to attack Venezuela, and humiliates all Latin





American countries when he asks them to support a historical aggression against a people and a brotherly country. President Trump threatens with hundreds of thousands of deportations, insults the national demonym of Latin-Americans and offers walls to separate families, but he also demands the governments' subordination to the policies of blockade and sanctions. It is the open and insolent resurrection of the "big stick" policy.


The measures of President Trump and his international allies against the Bolivarian Republic of Venezuela are producing pain and suffering to the Venezuelan people, as well as these measures are presented as actions to save the Venezuelan people from hardships caused by an alleged "dictatorship".

It is about a cynical, grotesque, and brutal attitude that is impossible to hide for any unbiased observer and a new attack against the principles governing the coexistence among States. It is a crime against the Venezuelan people: a crime against humanity.

### **Internationalization of the aggression against Venezuela**

The sanctions policy against Venezuela has been internationalized from Washington, through a ferocious lobby and pressure campaign against several countries and governments.

The U.S. has achieved that the European Union, the European Parliament, as well as a group of governments belonging to the so-called Lima group, build an international coalition to establish and promote sanctions, diplomatic isolation and political actions to destabilize Venezuelan democracy.



Thus, countries such as Canada joined the coercive and unilateral measures seeking to break the national economy, by imitating the Obama and Trump's executive orders. Canada has established a domestic legislation to criminalize and punish Venezuela. In addition, the European Union has also adopted measures, under pressure from the European Parliament, and *ad hoc* decisions of some Latin American countries, which have bowed to Trump's pressure in order to punish Venezuela and depose its legitimate Government.

## UNILATERAL COERCIVE MEASURES OF COMMERCIAL ECONOMIC BLOCKADE AND FINANCIAL PERSECUTION AGAINST PERSONS AND INSTITUTIONS OF THE BOLIVARIAN REPUBLIC OF VENEZUELA

### Chronology


- **December 2014.** The United States Congress approves the Public Law 113 - 278 titled "Venezuela Defense of Human Rights and Civil Society". The significance of such legal instrument lays in the fact that it sets a course of action for the government of the United States of North America policy towards Venezuela and established a road map for other States to adopt, over the last few years and under the U.S. influence and domination, a series of unilateral and coercive measures against Venezuela. The Public Law 113 - 278 establishes the option of imposing unilateral and coercive measures aimed at setting an economic, financial and commercial blockade against Venezuela; likewise it expressly plans to "work" along with the member States of the Organization of American states and the European Union in such direction.

## **Persons sanctioned by Canada**

*Nowadays, there are 59 Venezuelan citizens who are affected by Canada's sanctions, including freezing of assets, prohibition of treatment as well as of economic or financial relationship with any Canadian citizen or entity. The law explicitly prohibits any relationship that could, in the first place, enable the listed persons to have access to goods or, in the second place, provide any financial service.*

*The Canadian coercive measures include the President of the Republic, the Executive Vice-President of the Republic, the holders of the judicial, citizen and electoral powers, the President of the National Constituent Assembly as well as a group of ministers and senior officials of the Bolivarian Republic of Venezuela.*

- **03/08/2015.** Obama's administration issued Executive Order 13692 ("Obama's Executive Order") which is supported in the International Emergency Economic Powers Act, the National Emergencies Act and the Venezuela Defense of Human Rights and Civil Society Act of 2014, (Public Law 113-278). Obama's Executive Order declares Venezuela as a "rare and extraordinary threat to the U.S. national security and foreign policy" thus allowing to frame and legally substantiate all the actions that the U.S. is undertaking against Venezuela.
- **03/03/2016.** Obama's administration extends for one year the Executive Order 13692.
- **April 2016.** It starts the phase of the financial blockade against Venezuela. Institutions of the Venezuelan Government begin to receive, by financial entities abroad, notifications about restrictions applied to the Venezuelan banking accounts to execute payments in USD.
- **May 2016.** Commerzbank bank (Germany) closed the accounts held by several institutions, Venezuelan public banks and PDVSA.
- **July 2016.** The U.S. bank Citibank unilaterally ceased the correspondent account service in foreign currency of Venezuelan institutions in the U.S., including the accounts of the Central Bank of Venezuela (BCV).
- **August 2016.** Closing of correspondent accounts decreases Venezuela's capacity to carry out U.S. currency transactions and forces the Republic to migrate transfer operations and manage funds in other currencies (Euros, RMB, GBP and others), imposing to the country high transaction costs and operating costs.
- **August 2016.** Novo Banco (Portugal bank)) notifies the country the impossibility to carry out transactions in U.S. dollars with Venezuelan banks and institutions,



because of pressures exercised by correspondent banks of this institution.


- **02/10/2017.** Senator Marco Rubio presents in the U.S. Senate a media set-up (Fake News) of the CNN International channel that states that Venezuela supports terrorists and drug traffickers with passports. He accuses the Vice President of Venezuela of leading an alleged network of terrorism and drug trafficking.
- **02/13/2017.** The U.S. Treasury Department, through the Office of Foreign Assets Control (OFAC), includes the Executive Vice-President of Venezuela, Tareck El


#### **BLOQUEO DE ACCESO A MEDICINAS**

July 2017: The Citibank bank (USA) refuses to receive Venezuelan funds for the import of 300 thousand doses of insulin, destined to cover the demand of 450 thousand registered patients

Aissami, on a list of sanctioned persons for "drug trafficking." The OFAC document neither presents evidences of the accusation nor is an inquiry opened in a court.


- **July 2017.** The Delaware company -payment agent of the PDVSA bonds- informs that its correspondent bank (PNC Bank) in the U.S. refuses to receive more funds from the Venezuelan oil company.
- **07/31/2017.** The Department of the Treasury, through the Office of Foreign Assets Control (OFAC), imposes sanctions against a group of Venezuelan officials, including the President of the Republic, Nicolas Maduro Moros, a day after the election of the National Constituent Assembly was held. The President is accused of eliminating democracy and establishing a dictatorship with the election of a legal figure established in the Constitution, such as the National Constituent Assembly (ANC).

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- **08/21/2017.** The Bank of China (BOC - Panama), informs that due to instructions from the U.S. Treasury Department and pressure from the Panamanian government, it will not be able to carry out any operation in foreign currency in favor of Venezuela.
  - **08/22/2017.** Allied banks in Russia report the impossibility of making transactions to Venezuelan banks due to the restriction that some U.S. correspondent banks and European banks are imposing to operations from Venezuela.
  - **08/23/2017.** The correspondent of the BDC Shandong bank, alleging administrative reasons, paralyzes a transaction to Venezuela even though the funds were drawn by China. The amount associated with this operation (200 MM USD) lasted almost three weeks in being released.
  - **08/24/2017.** Donald Trump issues the Executive Order 13808 entitled "Impose additional sanctions with regard to the situation in Venezuela." The Executive Order prohibits a set of transactions involving the Venezuelan Government, through a broad drafting in order to include *Petroleos de Venezuela, S.A. (PDVSA)*, and any other entity owned or controlled by the Venezuelan Government. It is established a set of restrictions for PDVSA operations:
    - PDVSA is prohibited from acquiring new debts with maturing of more than 90 days
    - The Venezuelan Government is prohibited from acquiring new debts with a maturity of more than 30 days.
    - The Government is prohibited to obtain new stock shares.
    - It is prohibited to carry out transactions on certain bonds issued by the Government of Venezuela before the entry into force of the Executive Order.



*So far, 51 Venezuelan persons have been subject to coercive measures from OFAC, including the President Nicolas Maduro, the Executive Vice-president Tareck El Aisami; eight Judges of the Supreme Court; eight persons due to the role they play in National Constituent Assembly; new immigration veto for Venezuelan officials working at five governmental entities who wish to travel to U.S.; 14 current and former officials of the Venezuelan government; four officials linked to the Bolivarian National Army (FANB). Such measures have begun in 2008.*


- The payment of dividends or the distribution of profits to the Government of Venezuela by entities in the U.S. is prohibited - this particularly affects CITGO.
- The purchase of titles of the Government of Venezuela and the acquisition of debts with maturity of 30 or 90 days is prohibited.
- The White House declares that the new prohibitions were "carefully calibrated to deny the Maduro dictatorship a critical source of funding to maintain his illegitimacy." The Executive Order 13808 represents a significant change in the administration's focus on its position against Venezuela. Prior to Executive Order 13808, the sanctions related to Venezuela were limited to the inclusion of officials of the governments of President Nicolas Maduro and Commander Hugo Chavez, in the List of Specially Designated Persons ("SDN"). As of the Executive Order 13808 the measures were extended to public companies and their commercial and financial operations with the aim of directly hitting the Venezuelan economy.
- **09/05/2017.** An association between Canada and the United States of America is created in order to *“adopt economic measures against Venezuela and some people who actively contribute to the current situation in Venezuela.”*
- **09/22/2017.** The Canadian Government announces unilateral sanctions against 40 Venezuelan Officials in order to *“send a clear message that their anti-democratic behavior has consequences”*, in the words of the official Canadian statement. The sanctions related to Venezuela were enacted by virtue of *“the Special Economic Measures Act of 4 June 1992”* which allows the implementation of the decision of the Canada - U.S. Association. Such measures were announced by Cynthia Freeland, Minister of Foreign Affairs.

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- **October 2017.** The Deutsche Bank informs to China's CITIC BANK the closure of the correspondent accounts for having executed PDVSA payments, in a clear display of pressure on international banks which maintain operations with Venezuela.

#### **BLOCKING THE HEALTH SECTOR**

October 2017: Venezuela approves resources for vaccine and medicines through the Revolving and Strategic Fund of the Pan American Health Organization (PAHO). The U.S. blockade prevents Venezuela from doing deposits in the UBS Swiss bank, thus provoking a delay of four months in the acquisition of vaccines, altering vaccination schedules in the country.

- **10/01/2017.** Under U.S. pressures and on the pretext of facing immigration problems, some Latin-American and Caribbean countries start adopting restrictive measures for Venezuelan citizen's entry into their territories. The Panamanian Government is the first to establish the visa as a mandatory requirement to enter into the country.
- **10/18/2017.** Canada approves the S-226 bill known as "Justice for Victims of Corrupt Foreign Officials Act" (*Magnisky Act*). This Act authorizes Canada to impose restrictions with regard to goods transactions, and freeze the assets against foreign officials accused of human rights abuses, corruption and other crimes.
- **10/19/2017.** James Bezan, a Canadian Conservative Deputy, says that "the Act (S-226) is also targeted at other violators that we currently see, such as President [Nicolas] Maduro in Venezuela, where he is depriving the population of food and imprisoning political opponents.
- **11/03/2017.** Canada informs that "by virtue of the new Justice for Victims of Corrupt Foreign Officials Act", Cynthia Freeland, Minister of Foreign Affairs has applied direct sanctions against a group of foreign



citizens from Russia, Sudan and Venezuela (19 officials).

- **11/09/2017.** The U.S. imposes sanctions against a group of Venezuelan officials for “*undermining democracy, censoring the press and managing the corrupt government programs of food supply*”. Despite of the “humanitarian” rhetoric, these coercive measures basically try to disable officials with high responsibilities - including those administering the food programs - preventing them from signing commercial or international agreements that are favorable for the Venezuelan food policy.

#### **BLOCKING THE ACCESS TO MEDICINES**

November 2017: Venezuela pays for the acquisition of anti-malarial treatment (primaquine and chloroquine), requested to the BSN Medical laboratory in Colombia. Colombia hampers the delivering of such medicines without justification.


- **11/13/2017.** The European Union prohibits weapons and other safety equipment sale to Venezuela; implements travel restrictions, freezing of funds and economic resources to a group of officials, blaming them of alleged human-rights violation and “undermining democracy”.


#### **BLOCKING THE HEALTH SECTOR**

November 2017: The transnational Pharmaceutical companies Baster, Abbot and Pfizer refused to issue exportation certificates to cancer drugs, making it impossible for Venezuela to buy them.

- **11/15/2017.** The Deutsche Bank - which is the main correspondent bank of the Central Bank of Venezuela (BCV) - permanently closes the correspondent accounts of this institution putting at risk the Republic operations flow.



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- **11/19/2017.** The Honduras Government establishes the advisory Visa for Venezuelan citizens as a mandatory requirement to enter the country.
  - **01/05/2018.** The U.S. Department of Treasury – Office of Foreign Assets Control (OFAC) imposes sanctions on a group of Venezuelan officials, under the generic accusation of “corruption”.
  - **01/22/2018.** The European Union (EU) imposes sanctions on seven high Venezuelan officials, including the President of the electoral institution (CNE), and keeps them from enter the Union territory, under the generic accusation of “undermining democracy”.
  - **01/29/2018.** The American Department of State, when addressing the effectiveness of unilateral coercive measures, affirms: “the pressure campaign against Venezuela is working. The financial sanctions that we have imposed (...) have compelled the Government to start going into default, both in sovereign debt and in PDVSA, its oil company. What we see (...) is a total economic collapse in Venezuela. So, our policy works, our strategy works and we will continue to implement it.”
  - **04/02/2018.** The then Secretary of State Rex Tillerson affirms: “...*One of the aspects when considering sanctioning oil is what impact it will have on the Venezuelan people, and whether it is a necessary step towards the end of this situation, that is to say, towards a faster solution because the lack of action in ending this situation also means asking the Venezuelan people to endure that situation for much longer*”.
  - **02/12/2018.** The U.S. Department of the Treasury – Office of Foreign Assets Control (OFAC) extends the financial sanctions to Venezuela and Venezuelan companies mentioned in Executive Order 13808 of




August 2017. The extension prevents the renegotiation or restructuring of the Venezuelan and PDVSA debt issued before August 25<sup>th</sup>, 2017. This measure aims at preventing the renegotiation process that Venezuela was conducting in cooperation with international creditors.

- **03/02/2018.** Trump's administration extends for one year the Executive Orders 13692 and 13808. Executive Order 13808 imposes six new coercive measures that attack the Venezuelan financial stability by banning the debt restructuring or renegotiation and prevents the repatriation of CITGO dividends. Subsequently, FinCEN issued an alert to financial institutions in which it declared that Venezuelan public transactions could be related to corruption, thus hindering the payment to suppliers of essential goods such as food and medicines; and causing the retention of more than 1,650 million dollars.
- **03/19/2018.** The Trump's administration issues Executive Order 13827 which prohibits any citizen or institution from making transactions in the Venezuelan crypto currency Petro, in spite of the fact that it is still in the pre-sale stage and not officially traded on the crypto currency markets. It is an unusual and unprecedented decision in the brief history of the crypto currency markets.

#### **BLOCKING THE ACCESS TO MEDICINES**


Year 2018: The payment of 9 million USD through an international account from Venezuela, destined to the acquisition of dialysis supplies for the treatment of 15 thousand patients of hemodialysis was blocked. Such treatment is ensured by Venezuela free of charge.

- **03/20/2018:** The Secretary of Treasury, Steven Mnuchin, within the framework of the G-20 in Buenos Aires, affirmed "I can assure you that we (the U.S.)



continue assessing the situation in that country (Venezuela) and consider imposing more sanctions”. Moreover, he asked ministers present the summit to monitor that situation in the margins of the spring meetings of the World Bank and the International Monetary Fund.

- **03/27/2018.** Panama publishes a list of 55 sanctioned Venezuelan citizens (including President Nicolas Maduro) and 16 Venezuelan companies considered to be allegedly “high risk” with regard to money laundering, financing of terrorism and financing of proliferation of “weapons of mass destruction”. Venezuela responds with the suspension of economic relations with Panama and sanctions on the Panamanian President, senior officials and companies.
- **04/09/2018.** Chile approves a new visa application regulation, which establishes that Venezuelan citizens may request a residence visa for a period of one year, renewable once.
- **04/19/18:** Steven Mnuchin meets with representatives of Germany, Argentine, Brazil, Canada, Colombia, Spain, France, Guatemala, Italy, Japan, Mexico, Panama, Paraguay, Peru and United Kingdom to ask them “concrete actions to restrict the capacity of Venezuelan corrupted officials and their support networks”. Moreover, he affirmed that president Maduro did not possess the “legitimacy” to borrow on behalf of the country.
- **05/21/18: SANCTIONS AGAINST VENEZUELA FOR HAVING HOSTED ELECTIONS.** The following day after the presidential election for the period 2019-2015, in which more than 9 million Venezuelans voted, Donald Trump issued a new decree extending economic sanctions against Venezuela, making it seemed like a punishment for such elections. The new executive order prevents any citizen, institution or U.S. company



from acquiring Venezuelan debts or actives and properties belonging to the Venezuelan government in the United States, including those investments arising from Petroleos de Venezuela S.A. (Pdvsa).

- The aim is to further reduce the capacity of the Venezuelan government to obtain liquidity, affecting the accounts receivable of our country, as well as those of the state-own oil company PDVSA and the Central Bank of Venezuela.
- However, Trump's sanctions do not directly attack Venezuela's oil transactions, therefore, the United States do not prevent Venezuelan oil from being commercialized in U.S. territory.
- According to some senior officials, the United States "continues to maintain all its response options" before Venezuela's situation, "including a military option".



Main Features of the Financial Blockade in Venezuela	
Feature	Description
Country risk	Deterioration of the credit rating risk of Venezuela. This increases the cost and makes difficult to access to international debt and financial services. Continuing campaign from the rating agencies of risk against Venezuela, without any justification and despite the fulfillment of the international commitment on the part of the Republic.
Laws / Lists	Laws and lists created by the U.S. government and multilateral institutions justifying the international financial blockage. In 2010 we have been added into the Grey list of the Caribbean Financial Actions Task Force (CFATF), from which we could exit in 2013 after a very important effort demonstrated through regulations. During 2017, a group of Venezuelan public officials have been added to the OFAC list, including the President and the Executive Vice-president of the Republic as a kind of sanction.
Blockage/ Closing of Bank accounts	The unilateral cancellation of contracts of correspondent banking. Limitation and interruption of the international banks operations. Last months, Venezuela has been subject of the closing of correspondent banking accounts such as Citibank, Comerzbank, Deutsche Bank AG, and other.

## Main Features of the Financial Blockade in Venezuela

Feature	Description
Multilateral	Implementation of impediments of legal and administrative nature within international organisms and institutions, with the aim of delay and preclude the payment of the membership and not allow the access to the credits. It means the smear of the Republic within the international organisms. Imposition of bureaucratic impediments and/or smear campaigns from multilateral institutions and organisms as the BID, the World Bank, the IMF, the CAF, and other.
Assets Blockade	Blocking of financial assets and capital of branches and associated companies to Venezuela. We have been subject of assets blockade to our state companies as PDVSA and other banks and national institutions.
Financial intermediation services	Limitation or denial of financial transactions and intermediation operations from or to Venezuela by international banks, in a different currency from USD.
Policies of fulfillment	Hampering and delays in the operations; abuse and rigor when requesting documentation and information related to traceability of the operations without the warranty that they will be executed.
Imposition of fines	Imposition of millionaire fines to banks that provides services of correspondent and intermediation banking. These fines breed uncertainty, thus limiting the relations and opening of accounts.



## Main Features of the Financial Blockade in Venezuela

Feature	Description
Operations Cost Increase	An increase in the compliance costs above the operation costs has occurred in correspondent banks. This affects the commissions set forth in the correspondent contracts with our institutions, which as a result, have to bear such cost increase.

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### Examples of suspensions of the payments and commercial operations paralysis, as a result of the U.S. unilateral sanctions that prejudice the Venezuelan people




**Vessel of Kabuco food supplier company:** Within the framework of sanctions, the bank account belonging to an important company of soy food (key raw material for preparing balanced animal food) has been closed by the Swiss bank Hyposwiss Private Bank. The arbitrary closure of the supplier's account was based on the fact that the payment of 15.9 millions of Euros for more than 90,000 tons of soybean -transported by vessel- came from Venezuela.

**Blockade of transactions:** Several transactions from European banks were returned between 15<sup>th</sup> and 28<sup>th</sup> December 2017. Such transactions amounted more than 29.7 millions USD to different suppliers and aimed to pay the food distributed through the CLAP program (Government food supplying program).

**Delay of payment proceedings:** The U.S. bank JP Morgan has increasingly delayed the acceptance of funds for an amount of 28.1 millions USD aimed to pay the transport -vessels- of the food for the food supply of Venezuelan people.

**Colombia's blockade to transit of food:** From December 24<sup>th</sup> to 26<sup>th</sup>, 2017, international food suppliers held 1,700 tons of pork leg in the Colombian border in order to be entered into Venezuela for their distribution among the Venezuelan



people. Even today, Colombian authorities hamper the transit of these pork legs through an intentional delaying scheme, which includes a double and triple check to the same cargo.

## **Military threats under the pretext of an alleged humanitarian crisis**

- **04/06/2017:** The Head of the Southern Command, Admiral Kurt Tidd, mentioned Venezuela in his testimony to Senate Armed Forces Committee: “The increasing humanitarian crisis in Venezuela could compel a regional response over the years”. Although he did not indicate specific actions and rejected that any action against Venezuela is being planned. It is important to mention that years after John Kelly, former Secretary of National Security, spoke about an eventual “humanitarian crisis” in order to intervene in Venezuela, Tidd already deems it as a fact.
- **08/11/17: President Donald Trump** declared: *“We have many options to Venezuela, including a possible military option if it’s necessary”.*
- **08/13/17: Vice-President Mike Pence** declared: *“We will remain vigorous in our efforts to isolate Venezuela economically and diplomatically. And I would anticipate additional U.S. action in this regard sooner rather than later.”* Also, he added: *“We will continue to bring the full measure of American economic and diplomatic power until democracy is restored in Venezuela”.*