

# ClientAlert

## International Trade

December 2014

# US Authorizes Sanctions and Export Controls Against Venezuela

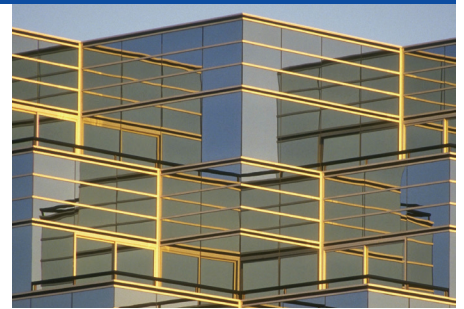
On December 18, 2014, President Obama signed into law the Venezuela Defense of Human Rights and Civil Society Act of 2014 (the "Act").<sup>1</sup> The legislation authorizes the United States to impose sanctions against certain Venezuelan government officials and individuals if they are determined to be responsible for human rights abuses related to recent anti-government protests in Venezuela. In addition, on November 7, 2014, the United States implemented restrictions on the export, reexport or in-country transfer of certain items for military end-use or to military end-users in Venezuela.<sup>2</sup>

### Venezuela Defense of Human Rights and Civil Society Act of 2014

The Act authorizes the President to block the property and interests in property of any foreign person, including any current or former official of the Government of Venezuela or any person acting on behalf of that government, who he determines:

- Has perpetrated, or is responsible for ordering or otherwise directing, significant acts of violence or serious human rights abuses in Venezuela against persons associated with the anti-government protests in Venezuela that began on February 4, 2014;
- Has ordered or otherwise directed the arrest or prosecution of a person in Venezuela primarily because of the person's legitimate exercise of freedom of expression or assembly; or
- Has knowingly<sup>3</sup> materially assisted, sponsored or provided significant financial, material or technological support for, or goods or services in support of, the commission of such acts.

The Act also authorizes the US State Department to deny visas to those individuals whose property and interests in property are blocked pursuant to the legislation. The US State Department also may revoke visas that already have been issued.



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1. A copy of the Act is available [here](#).

2. A copy of the Federal Register Notice is available [here](#).

3. "Knowingly" includes both actual knowledge and reason to know.

## License Requirement for Exports of Certain Items to Venezuela for Military End-Use/End-Users

The US Department of Commerce Bureau of Industry and Security (BIS) has amended the Export Administration Regulations (EAR) to impose license requirements on the export, reexport, or foreign transfer of specified items subject to the EAR within Venezuela when there is knowledge that such items are intended for a military end-use or a military end-user. This amendment complements the existing arms embargo against Venezuela.

“Knowledge” is defined to include both actual knowledge and reason to know. “Military end-use” means incorporation into a military item described on the US Munitions List (USML); incorporation into a military item described on the Wassenaar Arrangement Munitions List; incorporation into an “A018” or “600 series” item transferred from the USML to Commerce Control List (CCL) as part of Export Control Reform; or for the “use,”<sup>4</sup> “development,”<sup>5</sup> or “production”<sup>6</sup> of military items identified above. “Military end-user” is broadly defined, and includes the national armed services (army, navy, marine, air force or coast guard), as well as the national guard and national police, government intelligence or reconnaissance organizations, or any person or entity whose actions or functions are intended to support military end-uses.

Additionally, there is a general prohibition on the export, reexport or in-country transfer to Venezuela of “600 series” and “9x515” items recently transferred to the CCL from the USML without a license, regardless of end-user or end-use.

This license requirement applies for all items exported, reexported or transferred after November 7, 2014. Items that were on dock for loading, on lighter, laden aboard an exporting carrier, or en route aboard a carrier to a port of export, on November 7, 2014, may use previously applicable license exceptions or be exported without a license if none was required, so long as they were exported or reexported before December 8, 2014. Additionally, this license requirement will not apply to transactions if the contracts for such transactions were signed prior to November 7, 2014.

This policy affects not only US companies engaged in exports to Venezuela, but also non-US companies engaged in exports to Venezuela from third countries of products that are of US-origin and that require BIS licenses. This can include products with US-origin content or made as the direct product of US-origin technology.

Companies doing business with or exporting to Venezuela should monitor closely any measures imposed by the United States to ensure compliance. Penalties for noncompliance can be severe.

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4. “Use” means operation, installation (including on-site installation), maintenance (checking), repair, overhaul and refurbishing.

5. “Development” is related to all stages prior to serial production, such as: design, design research, design analyses, design concepts, assembly and testing of prototypes, pilot production schemes, design data, process of transforming design data into a product, configuration design, integration design and layouts.

6. “Production” means all production stages, such as: product engineering, manufacturing, integration, assembly (mounting), inspection, testing and quality assurance.