



सत्यमेव जयते

EMBAJADA DE LA INDIA
CARACAS

MARKET SURVEY



The Oil and Gas Industry in the
Bolivarian Republic of Venezuela



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Profile of the Bolivarian Republic of Venezuela



Introduction

The Bolivarian Republic of Venezuela is a sovereign and independent form of political organization, constituted under a republican and democratic model, characterized by principles of justice and equality and a stable union of states in which the different constitutional powers are distributed between a central government and the individual states that comprise it.

The established form of government is the federation, in which the relationship between the member states is organized under the principles of unity, autonomy, hierarchy and participation. This form of government is exercised through the administration of public finances and the execution of each of the legal instruments established for compliance with the law. This exercise of government is a product of the attributions established in the national constitution for each of the branches of public power.

The Public Power, according to the Constitution of the Bolivarian Republic of Venezuela, is distributed among the Municipal Power, the State Power and the National Power. The National Public Power is divided into Legislative, Executive, Judicial, Citizen and Electoral, while the State and Municipal Public Power is divided into Legislative, Executive and Citizen, the latter represented by the State or Municipal Comptroller's Office, as the case may be.

Geographical aspects.

Astronomical Geography

The territory of the Bolivarian Republic of Venezuela is astronomically located at 12° 11' 46" North latitude, 0° 38' 53" South latitude, 59° 47' 30" East longitude and 73° 23' 00" West longitude; the distance East - West is 1,493 Km and North - South is 1,271 Km. It covers a continental and insular surface of 916,445 Km² and a continental platform of 98,500 Km² with a coastline of 4006 Km to the north.

Physical Geography

The territory enjoys a mostly temperate climate typical of a tropical region, although due to its characteristics it is divided into natural regions. These regions are differentiated by climates that vary from dry to rainy depending on the location. It has been determined the existence of approximately 9 natural regions, and in general terms the average temperature of the territory is 28° C.

Political Geography

The Bolivarian Republic of Venezuela maintains a border in its northern part with the insular territories of the United States of America (Puerto Rico and U.S. Virgin Islands), the Kingdom of the Netherlands (Aruba, Curaçao and the Dutch Caribbean), the Dominican Republic, France (Guadeloupe and Martinique), and Trinidad and Tobago. Remaining to delimit part of the border with Colombia (430 km), the islands of St. Kitts and Nevis (80 km), the United Kingdom (Montserrat) (45 km), Dominica (80 km), St. Lucia (10 km), St. Vincent and the Grenadines (90 km) and Grenada (300 km).

Likewise, it maintains a border in its southern part with the Federative Republic of Brazil of 2,199 km, to the east with the Cooperative Republic of Guyana of 743 km (subject to change by claim) and to the west with the Republic of Colombia of 2,219 km.

The territory is divided into 23 Federal Entities, a Capital District, 89 Federal Dependencies and 2 Federal Territories, formed by the territories of Amazonas and Delta Amacuro, which are a special political division. In turn, the 23 Federal Entities are organized into 335 Municipalities and 1136 parishes.



Demographic aspects

Structural

The Bolivarian Republic of Venezuela has a population of 31,028,637 people, of which 15,554,863 are men and 15,473,774 are women. Venezuelan life expectancy is 74.1 years with a birth rate of 20.1 births per 1,000 inhabitants and a neonatal mortality rate of 8.9 per 1,000 live births.

Dynamics

The schooling expectation is 14.2 years per inhabitant, with an average schooling of 8.9 years and a public expenditure on education of 6.9% of GDP. The employment rate at

age 15 and older is 60.2%, with a labor force participation rate of 51.1% for women and 79.2% for men.

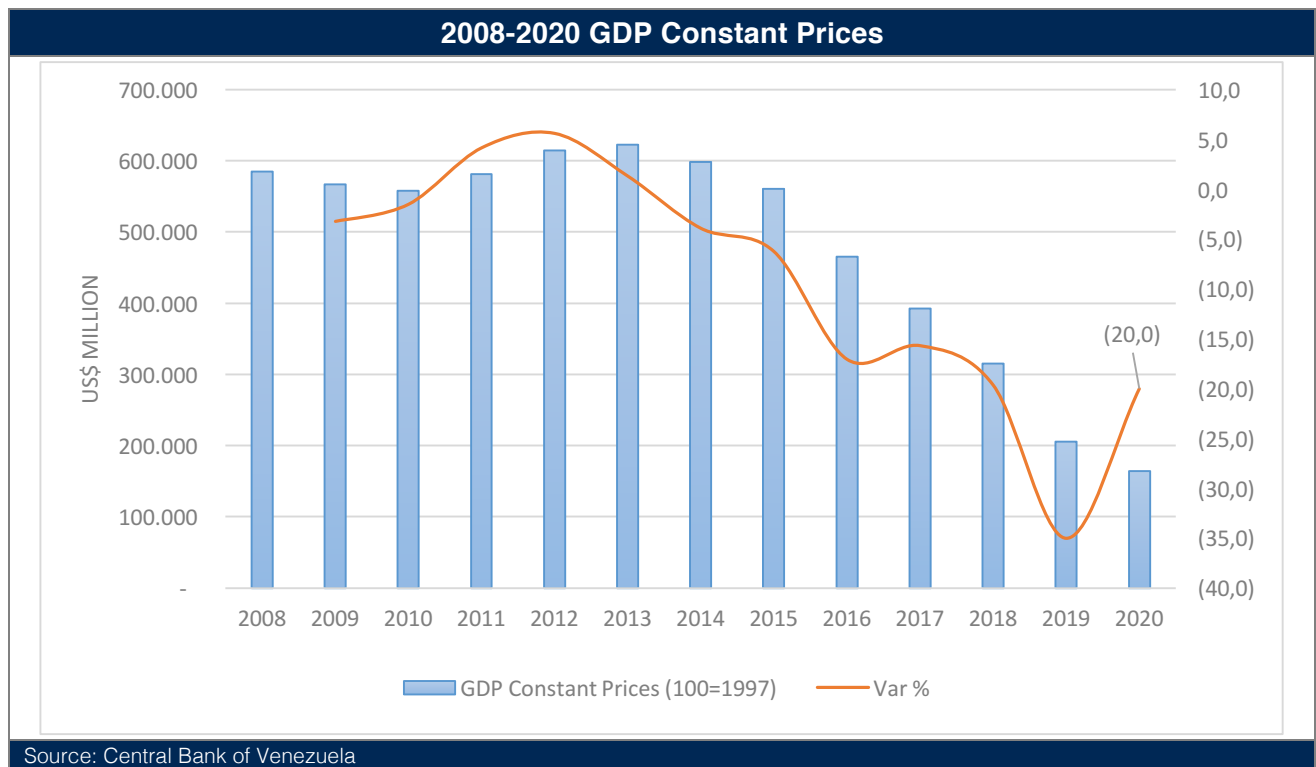
Economic Aspects

Summary

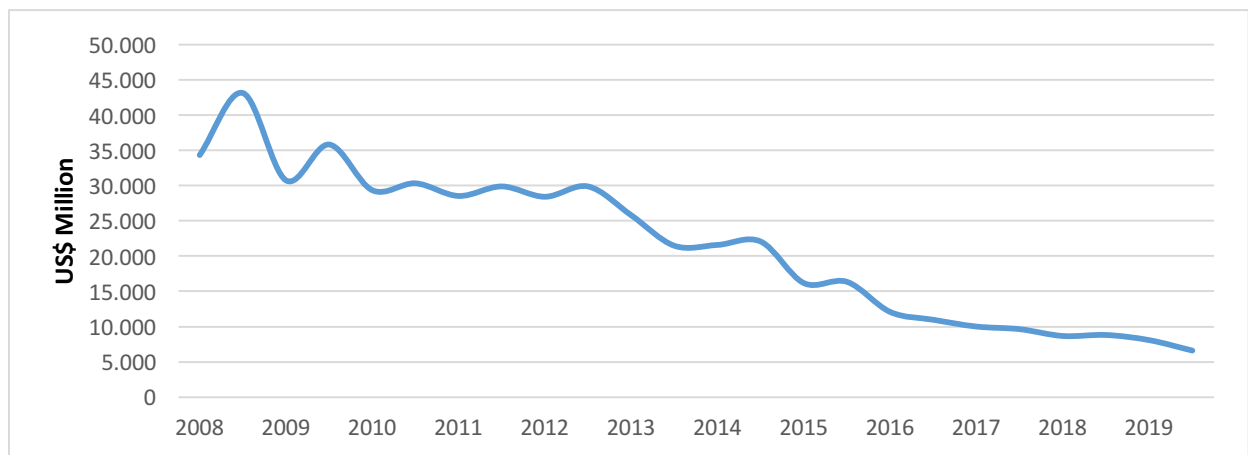
According to the data submitted by the Venezuelan National Bank (or Banco Central de

Venezuela | International Reserves (US\$ Million) 2008-2019

Venezuela - BCV), the Venezuelan economy shows deep trouble with regard to economic growth, with high rates (5%) in 2012, while a sharp drop occurred since 2014 and economy is contracting for the seventh year running.

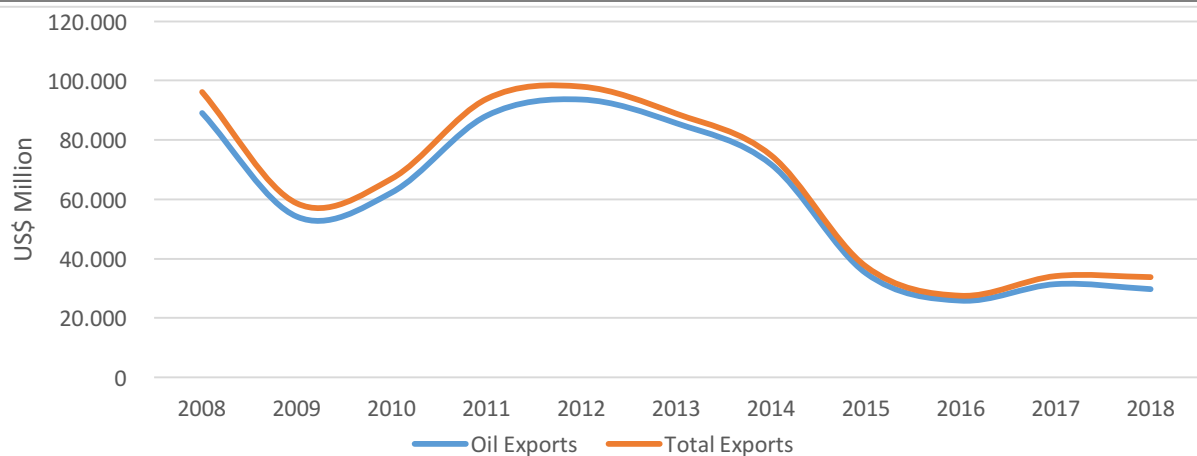


Despite being an oil economy, the oil sector is contributing less to the national productive apparatus, representing only 11% of the Gross Domestic Product (GDP); a worrying situation because this is the only economic productive sector participating in international trade, and it contributes 98% of income in foreign currency. Consequently, the rest of the non-oil productive sectors, representing a non-tradable (89%) sector of the economy, is not working under criteria of efficiency and competitiveness. Additionally, the collapse of the oil market prices and the lack of investment has shortened the external revenues for all the Venezuelan economy. Additional U.S. sanctions have discouraged foreign investment in the oil sector.



Source: Central Bank of Venezuela

2008-2018 Oil Sector Exports



Source: Central Bank of Venezuela

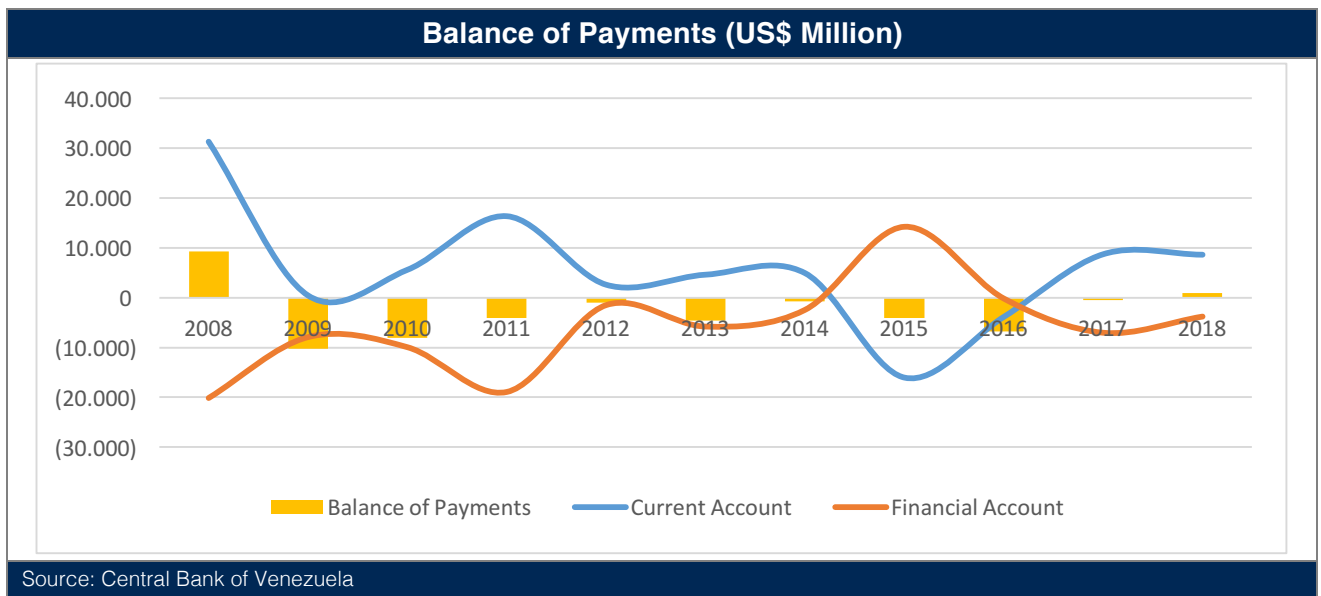
The variation of prices is expected to remain at higher levels since the beginning of the hyperinflation period, changing exponentially. Nevertheless, the speed of price changes has relented and the inflation rate will be 5,000%, due to the partial dollarization of the economy which has encouraged economic activity and reduced scarcity levels.

In the period 2008-2018, international reserves fell to less than a quarter, reaching lower levels similar to those experienced 40 years ago. This creates a strong pressure on external balances.

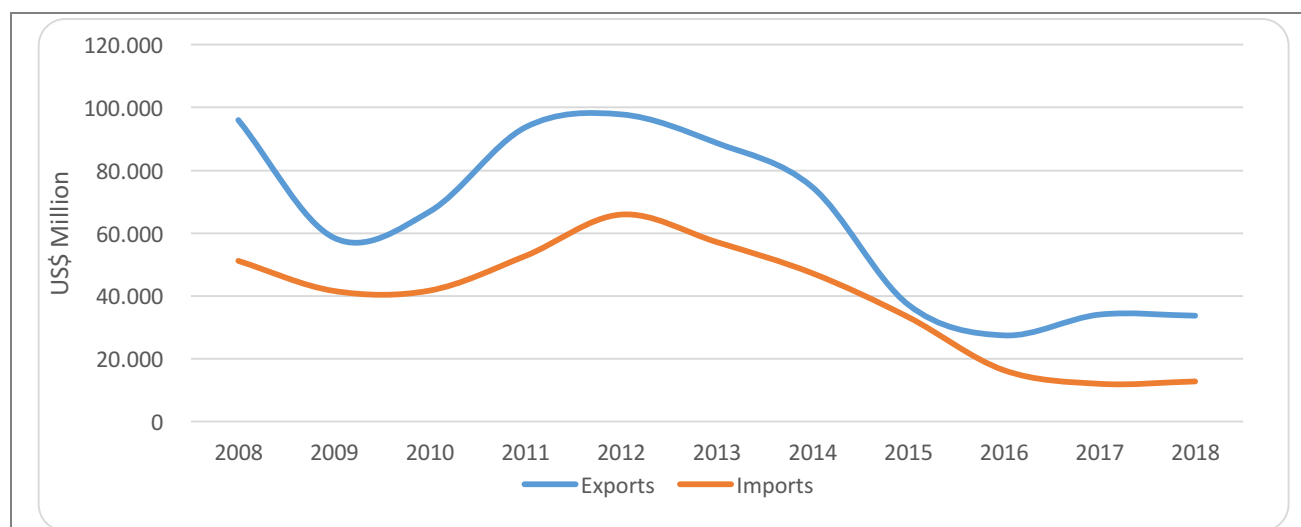
The growth of the foreign debt and the drop in international reserves, make the current coverage be less than 5%, meaning that the amount of the international reserves only pays 5% of the total foreign debt. By 2017, the country has declared default over most debt bonds.

The balance of payments remained negative during the period 2008-2018, with the characteristic feature of maintaining surplus trade balances, but capital outflows

exceeded this surplus. By 2015, for the first time in 20 years, the third and the fourth quarters are shown with negative trade balances, mainly due to the fall in oil prices.



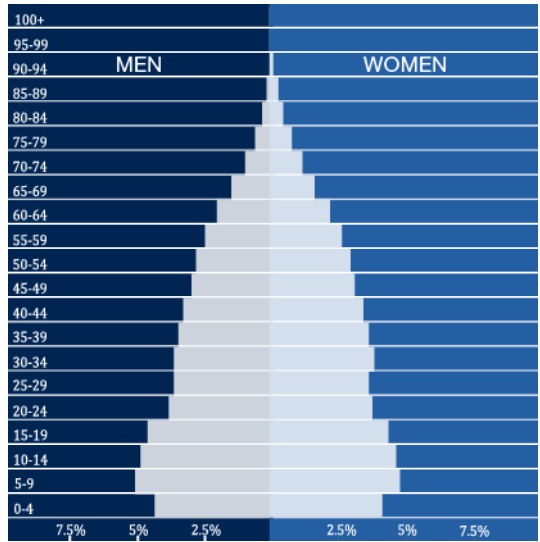
Trade Balance (US\$ Million)



Source: Central Bank of Venezuela

MAIN SOCIAL AND ECONOMICS INDICATORS OF THE BOLIVARIAN REPUBLIC OF VENEZUELA

INDICATOR	VALUE	LAST YEAR REGISTERED	VARIATION RESPECT TO LAST YEAR
GOVERNMENT			
Government Budget (%PIB)	-29.9%	DEC/2019	0%
UNEMPLOYMENT			
Unemployment Rate (%)	6.4%	DEC/2018	-0.9%
Employed Persons	15,011,108	DEC/2018	295,590
Unemployed Persons	1,035,238	DEC/2018	-147,666
Minimum Wages (BSF)	5,196,000	MAY/2020	-
Population (Total people)	32,220,000	DEC/2019	390,000

Population Pyramids			
Unemployment Rate	93.65%	DEC/2018	0.99%
TAXES			
Corporate Tax Rate (%)	34%	DEC/2020	0%
Personal Income Tax Rate (%)	34%	DEC/2020	0%
Sales Tax Rate (%)	16%	DEC/2020	4%
Social Security Rate (%)	24.5%	DEC/2019	-0.5%
Social Security Rate For Companies (%)	19%	DEC/2019	0%
Social Security Rate For Employees (%)	5.5%	DEC/2019	0%
CONSUMERS			
Consumer Confidence (points)	66 points	JUN/2020	8 points
Retail Sales Mom (%)	12.55%	JAN/2019	-20.9%
Consumer Spending (Millions VEF)	3,819	MAR/2019	-1,238
Private Sector Credit (Millions VEF)	59,180,415.50	AUG/2020	13,175,869.90
BUSINESS			
Industrial Production (%)	-20.6%	JAN/2019	26.40%
Competitiveness Index (Points)	41.83	DEC/2019	2.0
Competitiveness Rank	133	DEC/2019	+6
Ease of Doing Business	188	DEC/2019	0
Changes in Inventories (VEF Million)	-543	MAR/2019	365
MONEY			
Interest Rate (%)	38.15%	NOV/2020	-0.77%
Banks Balance Sheet (VEF Million)	1,830,451,445.50	AUG/2020	384,806,356.27
Foreign Exchange Reserves (USD Million)	6,386	DEC/2020	59

Central Bank Balance Sheet (VES Thousand)	19,285,269.44	SEP/2020	4,714,390.8
PRICES			
Inflation Rate Mom (%)	27.90	SEP/2020	+3.2
Consumer Price Index CPI (points)	79,061,685,127	AUG/2020	15,653,054,545
Food Inflation (%)	1,692.50	SEP/2020	-354,4
CPI Transportation (points)	79,988,086,540.40	SEP/2020	16,704,369,856
Core Inflation Rate (%)	60.30	DIC/2013	-0.60
Core Consumer Prices (points)	594.30	DIC/2013	12
Inflation Rate (%)	1813.10	SEP/2020	-363.9
GDP			
GDP Annual Growth Rate (%)	-26.8	MAR/2019	-6.6
GDP (USD Billion)	482.36	DEC/2014	111.35
Gross Fixed Capital Formation (VEF Million)	347	MAR/2019	-192
GDP per capita (USD)	14,025.36	DEC/2014	-696.5
TRADE			
Balance of Trade (USD Million)	5,680.00		793
Current Account (USD Million)	2,533.00		487
Current Account to GDP (%)	9.80		1
Exports (USD Million)	2,497.00		-873
Imports (USD Million)	8,627.00		370
External Debt (USD Million)	0.00		0
Gold Reserves (Tonnes)	161.22		0
Crude Oil Production (BBL/D/1K)	441.00		7
Foreign Direct Investment (USD Million)	105.00		-92
Terrorism Index	3.66		-0.44

SOURCE: Tradingeconomics. Disponible in: <http://www.tradingeconomics.com/venezuela/indicators>

Main oil and gas cooperation and trade organisations of which the Bolivarian Republic of Venezuela is a member.

The Bolivarian Republic of Venezuela has commitments regarding 3 agreements, 2 of which are regional, 1 regional.

Below shows detailed table with legal instruments aspects that regulate trade relations of the Bolivarian Republic of Venezuela:

MAIN OIL AND GAS ORGANISATIONS TO WHICH THE BOLIVARIAN REPUBLIC OF VENEZUELA BELONGS AT THE REGIONAL AND GLOBAL LEVEL

Organisation	Type of organisation	Member countries
Organisation of Petroleum Exporting Countries OPEC	World	Islamic Republic of Iran, Iraq, Kuwait, Saudi Arabia and Venezuela. (1960); Libya (1962); The United Arab Emirates (1967); Algeria (1969); Nigeria (1971); Ecuador (2007), Angola (2007); Gabón (2016); Equatorial Guinea (2017); Congo (2018).
PETROCARIBE	Regional	<p>Antigua y Barbuda: WEST INDIES OIL COMPANY LTD. (PDV Caribe, S.A. 25%, Gobierno de Antigua y Barbuda 51% y Fancy Bridge Ltd. 24%).</p> <p>Belice: ALBA Petrocaribe Belize Energy Limited (PDV Caribe, S.A. 55% y Belize Petroleum and Energy Ltd. 45%).</p> <p>Dominica: PDV Caribe Dominica Limited (PDV Caribe, S.A. 55% y Dominica National Petroleum Company Ltd. 45%).</p> <p>Granada: PDV Grenada Ltd. (PDV Caribe, S.A. 55% y Petrocaribe Grenada Ltd. 45%).</p> <p>Jamaica: Petrojam Ltd. (PDV Caribe, S.A. 49% y Petroleum Corporation of Jamaica 51%).</p> <p>Nicaragua: ALBA de Nicaragua, S.A. ALBANISA (PDV Caribe, S.A. 51% y PETRONIC 49%).</p> <p>República Dominicana: REFIDOMSA - PDV, S.A. (PDV Caribe, S.A. 49% y Estado Dominicano 51%).</p> <p>San Cristóbal y Nieves: PDV St. Kitts Nevis Ltd. (PDV Caribe, S.A. 55% y St. Kitts Nevis Energy Company Ltd. 45%).</p> <p>San Vicente y Las Granadinas: PDV Saint Vincent and The Grenadines Ltd. (PDV Caribe, S.A. 55% y Petrocaribe St. Vincent and The Grenadines SVG Ltd. 45%).</p> <p>El Salvador: ALBA Petróleos de El Salvador (PDV Caribe, S.A. 60% y la Asociación Intermunicipal Energía para El Salvador ENEPASA 40%).</p> <p>Haití: Societe D'Investissement Petion Bolivar, S.A. (PDV Caribe, S.A. 51% y Estado Haitiano 49%)</p> <p>Surinam: PDV SURINAME, N.V. (PDV Caribe, S.A. 50% y SURFUEL, N.V. 50%).</p>

PETROSUR

Regional

Brazil, Argentina, Uruguay and Venezuela.

SOURCE: PDVSA



Profile of the Venezuelan oil and gas sector



Characterisation of the Venezuelan oil and gas sector

Legal and tax issues

Any economic activity, including the import and export of licit goods in the field of energy is protected by the Constitution of the Bolivarian Republic of Venezuela in Article 302, which states that:

"The State reserves for itself, by means of the respective Organic Law, and for reasons of national convenience, the petroleum activity and other industries, exploitations, services and goods of public interest and of a strategic nature. The State shall promote the national manufacture of raw materials from the exploitation of non-renewable natural resources, in order to assimilate, create and innovate technologies, generate employment and economic growth, and create wealth and well-being for the people"

MAIN LEGAL PROVISIONS REGULATING OIL AND GAS ACTIVITIES IN THE BOLIVARIAN REPUBLIC OF VENEZUELA

Legal instrument	Date of Publication	Official Journal
Constitution of the Bolivarian Republic of Venezuela. (Article 302) Ver	December 30th 1999	N.º 30,860
Organic Hydrocarbons Law Ver	May 24th 2006	N.º 38,443
Organic law on gaseous hydrocarbons. Ver	September 23th 1999	N.º 36,793
Regulation of the organic law on gaseous hydrocarbons Ver	June 05th 2000	N.º 5,471
Law on the regularisation of private participation in the primary activities provided for in decree no. 1510 with the force of the organic law on hydrocarbons. Ver	April 18th 2006.	N.º 38,419
Organic law that reserves to the state goods and services related to primary hydrocarbon activities. Ver	May 07th 2009	N.º 39,173
Organic Law for the Development of Petrochemical Activities Ver	June 18th 2009	N.º 39,203
Law creating a special contribution for extraordinary prices and exorbitant prices on the international hydrocarbons market. Ver	February 20th 2013	N.º 40,114

Source: PETROLEOS DE VENEZUELA. Available: <http://www.pdvsa.com/index.php?lang=es/>
 / MINISTERIO DE PETRÓLEO Available: <http://www.minpet.gob.ve> / ASAMBLEA NACIONAL DE VENEZUELA Available: <https://www.asambleanacionalvenezuela.org/>

The entities in charge of the representation and management of the oil and gas industry in Venezuela are the Ministry of People's Power for Petroleum, which is a ministry of the Venezuelan Executive Power. It is the governing body for oil policy.

Among its competences are the regulation, formulation and monitoring of policies, planning, implementation and supervision of the activities of the National Executive in hydrocarbon matters; development, use and control of non-renewable natural resources of oil industries; market research, analysis and pricing of petroleum products, prevention of environmental pollution arising from hydrocarbon activities, in coordination with the Ministry of People's Power for the Environment.

Below is a table with information on the entities attached to this institution:

ENTITIES RESPONSIBLE FOR THE REPRESENTATION OF THE OIL AND GAS INDUSTRY IN VENEZUELA		
Entities	Address	Contact
Petróleos de Venezuela, S.A. (PDVSA)	Avenida. Libertador con calle El Empalme Complejo MinPetróleo - PDVSA, La Campiña, Caracas - Venezuela.	http://www.pdvsa.com
Petroquímica de Venezuela. S.A.	Zona Industrial Municipal Sur Avenida 73, con calle 79-B. Municipio Valencia. Estado Carabobo - Venezuela	http://www.pequiven.com/
Desarrollos Urbanos de la Costa Oriental del Lago, S.A. DUCOLSA	Calle Apamates con Calle Negrín, Centro Empresarial Sabana Grande, Nivel 15, Caracas - Venezuela	http://www.ducolsa.gob.ve
Ente Nacional del Gas	Urb. Los Caobos, Calle Panamá con Av. Libertador, Piso 8, Caracas - Venezuela.	http://www.enagas.gob.ve/
Source: OIL MYSTERY Available: http://www.minpet.gob.ve/		

Tax system

Under the scheme established in the Organic Hydrocarbons Law of 2006, the creation of joint ventures is required in order to explore, exploit and improve the extra-heavy crude oil found in the area known as the Orinoco Oil Belt (Faja Petrolífera del Orinoco). In this sense, the companies created under this scheme are established with a majority shareholding of the state-owned PDVSA in each of them, with a minimum of 60 per cent of the shares.

The tax system established under this new scheme can be divided into four main sections:

I. Taxation regime

The taxation regime establishes the set of rules governing petroleum activity in terms of taxes and levies. In Venezuela, the fiscal regime for oil activity is divided into 7 fundamental aspects.

1.1 Royalties.

According to the Organic Hydrocarbons Law, a 30% royalty is established on the hydrocarbons extracted, with a reduction of up to 20% in the case of heavy and extra-heavy crude oil and gas fields, taking into account that these fields would not be commercially viable without the application of this percentage, at the discretion of the national executive.

It is possible that this royalty may be collected in cash or in kind, taking into consideration that the latter will be determined on the basis of the commercial value of the crude oil in the export area.

1.2 Excise duties.

Excise taxes are levied on hydrocarbon projects developed within Venezuelan territory and are established in the Organic Hydrocarbons Law. There are 5 types of excise taxes, which are deductible for income tax purposes, except for the General Excise Tax.

1.2.1 Surface tax, which is levied on the unexploited area or areas of the concession and is equivalent to 100 tax units per year per square kilometre. Its increase is 2% per year for the first 5 years and 5% for the following years.

1.2.2 The tax on own consumption, which is set at 10% of what is produced and consumed as fuel in own operations for hydrocarbon derivatives. This tax will be calculated with the value of the sale of these derivatives to the final consumer.

1.2.3 General consumption tax, this tax is extracted from the price paid by the final consumer per litre of hydrocarbon derivative within the national market and its percentage varies between 30% and 50%.

1.2.4 Extraction tax, which is set at 33.33% of the value of all hydrocarbons extracted from any field in liquid form. It is payable monthly and is calculated on the basis of the value of the crude oil extracted from the production area. This tax may be reduced by up to 20% under certain conditions established by the national executive.

1.2.5 Export Registration Tax is set at 0.1% of the value of the hydrocarbons exported, based on the sale price.

1.3 Royalty Limit.

This limit establishes that the maximum value per barrel of crude oil taken to calculate the royalty, the extraction tax and the export tax will be US\$70.

2. Income Tax.

This tax will be applied to the profit generated by the commercial activity of both nationals and foreigners established within Venezuelan territory, regardless of their legal nature. In the case of hydrocarbon activities, the ISLR establishes:

2.1.1 The tariff, which applies to taxpayers that carry out activities of exploration, exploitation, refining and transport of hydrocarbons and their derivatives, as well as their commercialisation. The established proportional rate is 50%, but in cases of exclusive refining it will be a maximum of 34%, which is also the rate established for gas production.

2.1.2 Deductions, which are applied to the expenses and costs of the activity. These deductions are not applicable to expenses and costs established outside the national territory, except for interest paid by foreign creditors for expenses incurred in Venezuela, technical assistance abroad and royalties paid to foreign beneficiaries.

2.1.3 Depreciation and Amortization, which shall be applied on the investment capitalized by the depletion method. These investments include:

- a. Licence acquisition cost;
- b. Geological studies, exploration and similar expenses;
- c. Indirect expenses incurred in area operations;
- d. Any expenses considered to be permanent investments.

This amortisation fee will be deductible in respect of areas in production and assets within the national territory and will be based on direct exploration costs, expressed in the unamortised investment balance, total exploitable reserves in proven areas and the total production of the contributing company.

The depletion method shall be applied to the costs of drilling and development of wells in terms of tangible and intangible assets. In the case of dry wells, deduction or capitalisation may be made in full in the current year. Tax losses from deductions can be carried forward to the next 3 fiscal years.

1.1.4 Adjustment for inflation and deduction of exchange losses will be made by adjusting non-monetary assets and equity to the variation of the Consumer Price Index (CPI) established by the Central Bank of Venezuela.

1.1.5 Dividend tax will be applied to the excess of profits paid to shareholders over taxable income and not to the company paying the profit. In the event that the dividend is paid by the company as a result of exploration, exploitation, refining and transportation activities, it will be subject to the 50% tax established in the LISR. Likewise, modifications or exemptions will apply in the cases established by international double taxation treaties.

1.1.6 Undercapitalisation and transfer pricing rules will apply to interest paid by the taxpayer directly or indirectly to a third party, under the condition that the interest

added to the debt with non-related parties does not exceed the taxpayer's equity in a 1:1 debt to equity ratio.

3. Value Added Tax

For the Venezuelan case the established rate is 12%, and it is applied on the transfer of property for valuable consideration, both for tangible goods and services. In the case of exports of goods, the rate is zero (0), and the withholding in most cases is 75% for other taxpayers, who will have the possibility of requesting a refund from the national treasury if they exceed the quota for the withholding period. In terms of the Hydrocarbons Law, all sales made to PDVSA will be treated as export sales, regardless of whether they are within the domestic context. Likewise, this tax must be claimed by the joint ventures from the treasury by way of reimbursement.

3.1 Special Tax on Extraordinary Prices and Exorbitant Prices on the International Hydrocarbon Market

This tax is levied on companies that export, transport, and transport hydrocarbons and liquid hydrocarbons abroad, as well as joint ventures created on the basis of the Hydrocarbons Law of 2006. The price is considered to be extraordinary when the value of the liquid hydrocarbon basket is less than 70 US dollars, taking into consideration the value assigned per barrel in the budget law of the fiscal year for that moment. In this case, 20% of the value between the price differences and the monthly average of the Venezuelan hydrocarbon basket will be applied.

On the other hand, the price is considered to be exorbitant if the monthly average of Venezuelan hydrocarbon quotations exceeds 70 US dollars, in which case the following rates shall apply:

- When the amount exceeds between 70US\$ and 90US\$ 80% of the monthly average value of the Venezuelan liquid hydrocarbon market quotation shall apply.
- When the amount exceeds between 90US\$ and 100US\$, 90% of the average monthly value of the Venezuelan liquid hydrocarbon market quotation shall apply.
- When the amount exceeds 100US\$, 95% of the average monthly value of the Venezuelan liquid hydrocarbon market quotation shall be applied.

The tax will be calculated on the average monthly basis, and not on the price of the barrel of the taxpayer and will be deductible for Income Tax purposes.

3.1 Special advantage

This tax applies to joint ventures created under the 2007 Migration Law and joint ventures under the 2006 Hydrocarbons Law, with the exception of PetroCarabobo S.A. and PetroIndependencia S.A.

The national treasury will tax the differential amount equivalent between;

- a. 50% of the value of heavy and extra-heavy crude oil before upgrading and any other type of natural hydrocarbon extracted during each calendar year and;

b. the sum of the payments made by the joint venture concerned during that year for royalties, extraction tax, ISR, any other tax, levy or contribution calculated on the basis of income (gross or net) and the mandatory investments in "endogenous development projects" of 1% of profits before ISR.

In the event that the above payments are equal to or exceed 50% of the amount mentioned in (a) above, the value of the rate will be zero (0).

In the specific case of PetroCarabobo S.A. and PetroIndependencia S.A. the special advantage will be the product of the accumulation of the debt from the year of the beginning of the production of the hydrocarbon until the start of the production of the improved crude oil. In addition, all investments in exploration and exploitation areas will be fully deductible from income tax, as well as investments in assets for the treatment and upgrading of extra-heavy crude oil, which will have a 10-year amortisation period. Net operating losses may be carried forward for the next 10 years of the tax year.

II. Taxes on Sales and Assignment of Rights

All transfers of rights, goods or profits from the transfer of shares, which occur within the context of Venezuelan companies or which are considered as such, must pay this tax, as established in the Income Tax Law. In this case, companies that are covered by a double taxation agreement in force with the Bolivarian Republic of Venezuela are exempted.

III Tax Incentives

3.1. Income tax

No tax incentives are established in the case of this tax, in relation to oil companies that are subject to the proportional rate of 50%.

3.2. Value added tax

The special short-term reimbursement scheme will apply to projects that require a pre-operational phase and that are specifically intended for export production. On the other hand, taxpayers who are in a pre-operational phase and are not eligible for the above-mentioned benefit, may make adjustments based on CPI variations between the dates of the credits that generated the VAT and the start of operations.

3.3. Special Contribution on Extraordinary Prices and Exorbitant Prices on the International Hydrocarbon Market

Exemption and exoneration are established as the case may be, taking into consideration that the exoneration has a maximum term of 5 years, which will be counted as from the entry into force of the Decree-Law. A different case is that of exemption, which will apply while the Decree-Law is in force.

In the case of the exemption, joint ventures that have been created under the 2006 Hydrocarbons Law, and whose purpose is the sale of liquid hydrocarbons and their derivatives to PDVSA or any of its subsidiaries, will benefit from this exemption. For the above, it is necessary to establish that projects where new fields are developed or where the development of fields already underway has been declared as such by the Ministry of Petroleum and the investment has not been recovered will benefit.

On the other hand, exports that are part of an international cooperation or financing agreement contracted by the Bolivarian Republic of Venezuela and recorded in the treaty made for such purpose may benefit from the exemption.

Exemptions are at the discretion of the national executive, and may be directed to certain cooperation agreements and limited to certain exports.

3.4. Specific Tax Incentives for Joint Ventures Engaged in the Exploitation of Extra-Heavy Crudes

This incentive will be applied to the so-called "special advantage" of the extraction tax. In addition, the reduction in royalties and extraction tax will be considered by the national executive, subject to the demonstration of a basic engineering study that establishes the unfeasibility of capital recovery over a period of 7 years.

IV Contractual formalities

As a result of the fact that oil activities in Venezuela are carried out through the creation of joint ventures with a majority shareholding by PDVSA, contractual relations are established in each of the statutes of these joint ventures, which will establish their functioning and the handling of dividends among shareholders. These statutes must be approved by the National Assembly.

4.1. Conditions applicable to the Joint Ventures created in 2006 for the exploitation of extra-heavy crude oil in the Orinoco Belt

4.1.1. Duration and Extension, which establishes the existence of the company for a period of 25 years, which may be extended for 15 years, subject to compliance with the rules established in the laws that create it.

4.1.2. Possible activities;

Those established in Article 9 of the 2006 Hydrocarbons Law, including blending and upgrading of crude and upgraded crude with other heavy and extra-heavy crudes. So-called early production is possible, which allows the production of heavy and extra-heavy crude oil before the upgrader starts operations. In the case of PetroCarabobo S.A. and PetroMiranda S.A., the early production period is established when the company is incorporated or when it reaches 300 million barrels. In the case of other companies such as PetroUrica S.A. 50 million barrels, PetroJunin S.A. 190 million barrels.

4.1.3. Marketing of upgraded crude oil and by-products resulting from upgrading;

Under this condition it is possible to directly market the mixture of crude oil with similar heavy and extra-heavy crude oil, as well as additional volumes of upgraded crude oil and its derivatives obtained in the upgrading of heavy and extra-heavy crude oil.

Venezuela's oil and gas supply

Oil supply

Venezuela's largest energy supply is represented by the Orinoco Oil Belt, which covers an area of approximately 55,314 km² of which 11,593 km² make up the current area of exploitation. This vast territory covers part of the states of Guárico, Anzoátegui and Monagas. In net terms, the Orinoco Oil Belt represents 296.5 billion barrels of oil certified as reserves by OPEC, with a recovery factor of 20%.

Following the enactment of the 2006 Hydrocarbons Law, the Venezuelan state proposed the division of an area of 500 km² into four fields segmented into 29 blocks, for the constitution of joint ventures, with a view to their development and exploitation. In concrete terms, the fields were divided as follows:

- Ayacucho field, which is divided into 7 blocks and has estimated reserves of 87 billion barrels. It is located in the south of Anzoátegui State.
- Boyacá Field, which is divided into 8 blocks and has estimated reserves of 489 billion barrels. It is located in the south of Guárico State.
- Carabobo Field, which is divided into 4 blocks and has estimated reserves of 227 billion barrels. It is located in the centre-south of Monagas State and southeast of Anzoátegui State.
- Junín Field, which is divided into 10 blocks and has estimated reserves of 557 billion barrels. It is located south of Guárico State and southwest of Anzoátegui State.

Likewise, the companies set up under the Organisational Hydrocarbons Law are:

PETROPIAR, 70% owned by PDVSA and 30% by Chevron. This company has the capacity to refine 175,000 barrels per day of extra heavy oil and the production of synthetic crude;

PETROCEDEÑO, which is 60% owned by PDVSA, 30.3% by Total and 9.7% by Statoil. This company has the capacity to produce 200,000 barrels of extra heavy oil per day;

PETROMONAGAS, which is 83.33% owned by PDVSA and 16.67% by TNK-BP. This company is capable of producing 120,000 barrels of oil per day from 98 wells;

PETROLERA SINOVENSA, which is 60% owned by PDVSA and 40% by CNPC China Corporation. This company is capable of producing 30,000 barrels of oil per day under the Orimulsion modality;

PETROMACAREO, which is 60% owned by PDVSA and 40% by PetroVietnam. This company is capable of producing 6,000 barrels of extra-heavy crude oil per day;

PETROMIRANDA, which is 60% owned by PDVSA and 40% by the Russian Oil Consortium. This company has the capacity to produce 5,000 barrels of extra heavy oil per day;

PETROINDEPENDENCIA, which is 60% owned by PDVSA, 34% by Chevron, 5% by Inpex-Mitsubishi-Jpgmec and 1% by Suelopetrol;

PETROCARABOBO, whose shareholders are 60% PDVSA, 11% Repsol, 11% Petronas, 11% ONGC, 3.5% Oil Indian Limited and 3.5% Indian Oil Corporation Limited;

PETROURICA, which is 60% owned by PDVSA and 40% by CNC;

PETROMIRANDA, which is 60% owned by PDVSA and 40% by ENI of Italy;

PETROBICENTENARIO, which is 60% owned by PDVSA and 40% by ENI of Italy;

In terms of refining, the main supply is provided by the Centro de Refinación Paraguaná (CRP), which has the second largest refining capacity in the world. The CRP is located in western Venezuela between the states of Falcón and Zulia, merging since 1997 the operational and administrative capacity of the Amuay, Cardón and Bajo Grande refineries.

In terms of capacity, the CRP can refine 955,000 barrels per day, which represents 65% of Venezuela's refining capacity. Under the administration of state-owned PDVSA, the CRP divides its capacity into 305,000 barrels per day refined at the Cardon refinery, 635,000 barrels per day refined at the Amuay refinery and 16,000 barrels per day at the Bajo Grande refinery.

A second offer is represented by the El Palito refinery, which is located on the coast of Carabobo state and has a refining capacity of 140,000 barrels of crude oil per day. Also controlled operationally and administratively by the state-owned PDVSA, the El Palito refinery is responsible for the supply of domestic gas, distillates, fuel oil and gasoline to the central-western region of Venezuela through pipelines that connect with distribution centres located in El Palito, Yagua and Barquisimeto.

A third offer is the Puerto La Cruz refinery, which is located in an area of 20 hectares about 20 kilometres from the José Antonio Anzoátegui Petrochemical complex, between the towns of Guanta and Barcelona. This refinery has the capacity to produce 200,000 barrels of oil per day and an installed capacity of 190,000 barrels per day. The Puerto La Cruz refinery obtains its raw material from crude oil extracted from the states of Anzoátegui and Monagas, refining in concrete terms 43% fuel oil, 34% distillates, 15% gasoline, 7% reconstructed crude, 1% other fuels.

In addition, Venezuela has refineries outside its territory;

- Lake Charles refinery, located in the United States of America with a capacity of 425,000 barrels per day.
- Lemont refinery, located in the United States of America with a capacity of 167,000 barrels per day.
- Corpus Christi refinery, located in the United States of America with a capacity of 157,000 barrels per day.
- Merrey Sweeney refinery, located in the United States of America with a capacity of 214,000 barrels per day. Currently under arbitration since 2014.
- Isla refinery, located in Curaçao with a capacity of 335,000 barrels per day. Under lease since 2019.
- Nynashamn refinery, located in Sweden, with a 50% shareholding and refining capacity of 15,000 barrels per day.
- Gothenburg refinery, located in Sweden, with a 50% share and refining capacity of 5,000 barrels per day.
- Eastham refinery, located in the UK, with a 25% shareholding and refining capacity of 5,000 barrels per day.
- Dundee refinery, located in the UK, with a 50% shareholding and refining capacity of 4,000 barrels per day.

Gas Supply

Venezuela currently has around 200.3 Billion Normal Cubic Feet (MMMPCN), as established in resolution 044 of 5 June 2019. Of this 200.3 trillion, 90% is associated with oil, making it imperative to extract both minerals together.

Likewise, within the context of the development of this hydrocarbon, Venezuela has two large projects on offer for its exploration and exploitation. On the one hand, there is the Rafael Urdaneta project, located in the northwest, specifically on the coast of Falcón state in the Gulf of Venezuela, with an area of 30,000 km² and a potential to exploit 9.51 trillion cubic feet of associated gas.

This project, which is expected to last 25 years starting in 2005, is divided into 29 offshore blocks, 18 of which are located in the Gulf of Venezuela and 11 off the coast of Falcón state.

From a strategic point of view, this project is primarily aimed at obtaining gas and liquid hydrocarbons for domestic consumption and possible export, as well as generating additional information related to the geology of the area and allowing the possibility of expanding the gas business to the Colombian and Central American territory through the so-called Transguajiro gas pipeline.

A second project, known as Gran Mariscal Ayacucho (CIGMA), has the antecedent of the Cristobal Colon Project and is located in the eastern part of Venezuela, covering the territory of the states of Sucre, Monagas and Delta Amacuro. This project covers an area of 6,300 hectares on land and approximately 11,000 hectares offshore. This area has been divided into two large fields called Dragón - Patao with a production capacity of 600 MMPCD and Mejillones - Río Caribe with a production capacity of 650 MMPCD. In addition to this, there is the production of 18 MBD of oil condensate and the generation of 500 MW of electricity.

The CIGMA project originally proposed the construction of liquefaction plants for the oil and petrochemical industry as a means of treating crude oil extracted from the Orinoco Oil Belt. Likewise, due to its equidistance, the town of Güiria has been established as a centre for the confluence of gas produced under the CIGMA project, the Plataforma Deltana and some crude oil extracted from the Orinoco Oil Belt.

From a strategic point of view, this project seeks to develop at least 70% of the non-associated gas and condensate liquids from the established fields. To this end, the drilling of 34 wells and the installation of two platforms for extraction, plus the construction of submarine systems that interconnect with the gathering lines for export, are planned.

Venezuela's oil and gas demand

Although the Bolivarian Republic of Venezuela has an excellent energy supply, the political unrest of recent years and US sanctions have created severe disturbances in the economic area, leading to inappropriate management of oil revenues and disinvestment in the maintenance of oil installations. As a result, many of the commitments acquired by the Republic through its state-owned company PDVSA have been partially fulfilled or abandoned in accordance with the original planning.

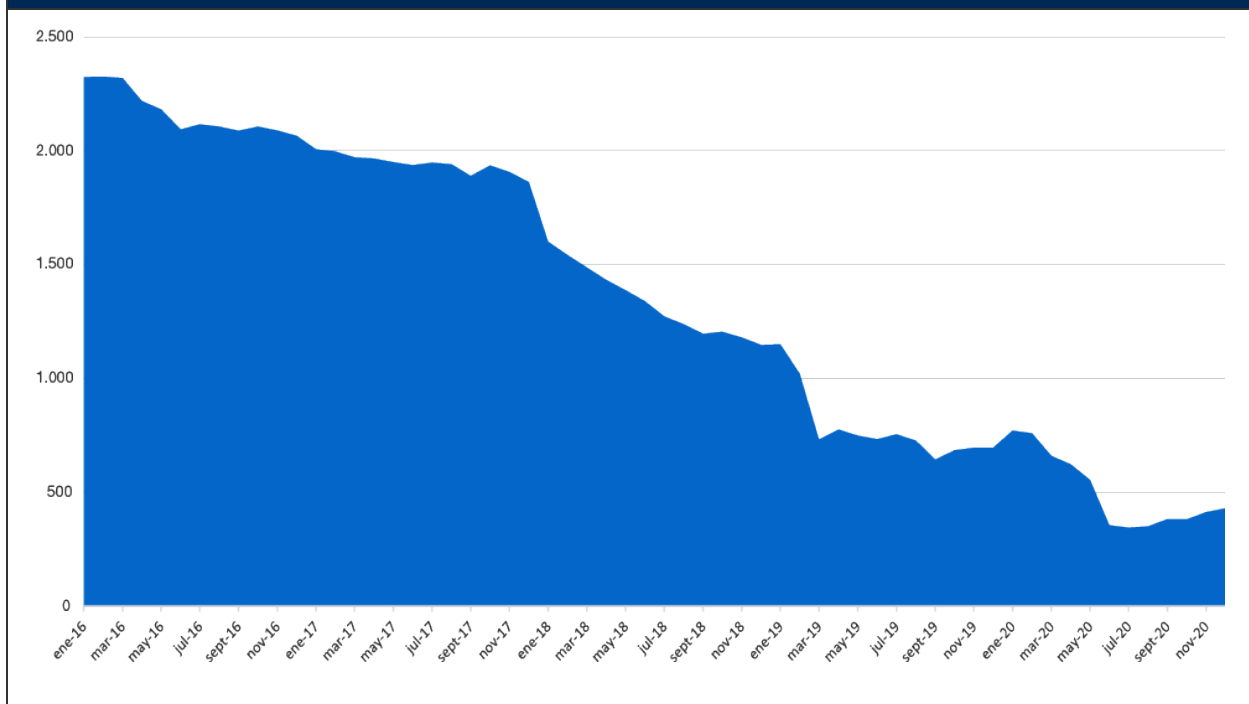
In addition, as a consequence of the conflict mentioned in the previous paragraph, in recent years the United States government and some international organisations have applied sanctions that have certainly affected the fulfilment of Venezuela's oil demand.

Although Venezuelan oil production has been declining over the last decade, it is in the last five years that this fall has been most accentuated, reaching levels of demand satisfaction equivalent to those of the 1940s. According to recent data obtained from the Organisation of Petroleum Exporting Countries OPEC, Venezuela's oil production in 2020 averaged 503,000 barrels per day per month, a far cry from the 2,364,000 barrels per day it produced on average in 2015.

In this regard, most crude exports in recent years have been destined for Asian countries, specifically China and India, which have been customers with the capacity to refine Venezuela's extra-heavy crude. Although some commitments with European countries such as Italy and Spain could be fulfilled, and also with Cuba, between October and November 2020 the exception period established by the US government for the fulfilment of these commitments expired.

At the end of 2020, Venezuela's satisfied demand was 703,000 barrels per day.

BOLIVARIAN REPUBLIC OF VENEZUELA. OIL PRODUCTION

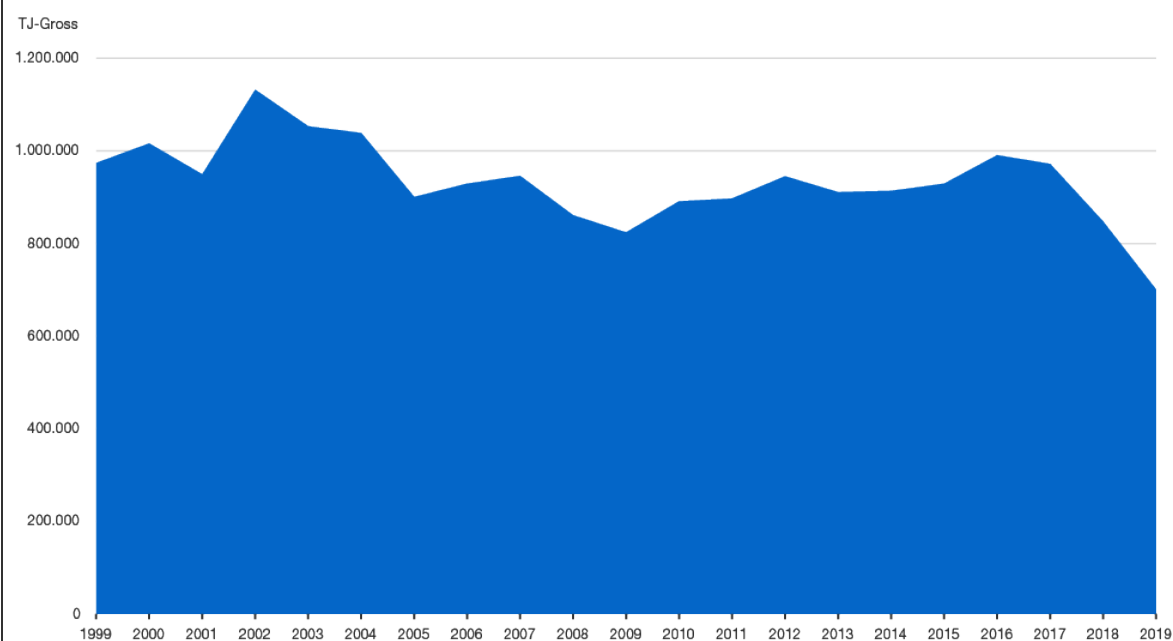


MMBD	JEN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DIC
2015	2.355	2.349	2.350	2.376	2.378	2.373	2.371	2.367	2.369	2.369	2.368	2.348
2016	2.325	2.327	2.320	2.219	2.183	2.095	2.117	2.107	2.089	2.107	2.090	2.067
2017	2.007	1.998	1.972	1.967	1.951	1.938	1.949	1.942	1.890	1.936	1.907	1.863
2018	1.601	1.543	1.488	1.433	1.388	1.340	1.273	1.239	1.197	1.206	1.181	1.148
2019	1.151	1.021	732	776	750	734	755	727	644	685	697	697
2020	772	760	660	624	555	356	345	351	383	382	414	431

Source: OPEC Information 2020 https://www.opec.org/opec_web/en/data_graphs/334.htm | elaborated by ALC Consulting Group.

BOLIVARIAN REPUBLIC OF VENEZUELA. NATURAL GAS

TOTAL, PRODUCTION | TJ-Gross



Ktoe	YEARS				
	2014	2015	2016	2017	2018
Production	19,653	19,984	21,306	20,898	18,224
Imports	730	703			
Exports	-				
TES	20,383	20,291	21,306	20,898	18,224
Statistical differences	-991	-301	-1,552	-1,048	91
Electricity plants	-5,468	-7,266	-7,019	-6,746	-6,483
Energy industry own use	-6,283	-6,257	-6,857	-7,026	-6,127
Total final consumption	7,641	6,466	5,878	6,078	5,704
Industry	6,596	5,263	4,816	5,058	4,748
Transport	19	25	25	19	16
Residential	789	938	780	750	721
Commercial and public services	237	241	256	252	219

Source: IEA Gas Information 2020 <https://www.iea.org/subscribe-to-data-services/natural-gas-statistics> | data available to 2018 - 2019 | elaborated by ALC Consulting Group.

Investment in Venezuela's oil and gas sector

The main strength of Venezuela's energy sector is its energy resources such as oil and gas. Venezuela is the country with the largest certified reserves in the world, which gives it a strategic position among energy supply countries.

A second element of strength comes from the geographical location of Venezuelan territory in relation to the main consumer countries. Although it is a fact that the world's major energy demand comes from Asian countries, Venezuela's geographical position is relevant to the main consumers in the Western hemisphere.

Although there is a level of development in oil and gas reserves, most of the reserves are still undeveloped, so that most of the investments made so far can be recovered by draining and/or completing existing wells. In addition, Venezuela's energy balance is positive in terms of the ratio of production to domestic consumption, so that export margins can be quite good.

Another element of strength is the knowledge that the industry has developed along the so-called value chain, which includes knowledge in the areas of exploration, extraction and production of derivatives. Likewise, the creation of joint ventures has led to the industry's knowledge of aspects that from a technological point of view can be classified as cutting edge.

From the point of view of human resources, during the last decades of the 20th century Venezuela made an effort to introduce the petroleum culture into the academic sphere, which has led to the existence of qualified professionals in the area. This has allowed Venezuela to create the necessary infrastructure for hydrocarbon management, along with the development of related companies in this area.

In terms of opportunities, there is no doubt that despite the political imbalances that have existed in recent years, the opening up of the hydrocarbons sector, especially in the area of gas and petrochemicals, is seen as a great opportunity. This area could be of great interest to foreign capital interested in the development of the electricity sector and semi-processed raw materials.

Some specific elements that require maintenance within the industry include electric motors, progressive cavity pumps, rotating heads, as well as intelligent controllers under different artificial lift methods in the area of mechanical pumping, electro-submersible artificial lift and process pumping in surface.

Likewise, the growing energy demand for oil and gas estimated for the next decade means that Venezuela could be considered, under certain conditions, as a major player capable of satisfying this demand. This would be possible, on the one hand, by completing the projects that have been programmed within the framework of the 2006 Hydrocarbons Law and, on the other hand, by developing alternative forms of energy for domestic consumption, such as Orimulsion.

At the level of knowledge management, a great opportunity is represented by the creation of a reliable statistical aggregate, which includes a continuous updating of knowledge management in the area of hydrocarbons with the particularities of Venezuelan hydrocarbons. This could include the study of alternative energies with a view to implementing an environmental policy that is aligned with the new requirements that are emerging from the environmental point of view.

From the above, we can see the business opportunity represented by the use of residual elements of the oil activity that can be used as raw material for the generation of other energies.

On the other hand, the events of the last two decades, as a result of a new political paradigm, have generated some weaknesses that have considerably diminished the capacities of the hydrocarbon sector. We could take as a first element, the loss of excellence as a guide for the operational management of the state company, which has brought as a consequence an operational incapacity in the organisational and managerial management of the company, specifically in relation to the management of risks and environmental liabilities.

A direct consequence of this is the gradual deterioration of the oil industry's facilities over the last few years, which has resulted in the non-fulfilment of plans and contracts, as well as the improvised management of contingencies and resources, affecting internal demand and favouring imports.

In this sense, a global context marked by the reduction of world refining capacity and the accelerated development of alternative energies by the main consuming countries, make it necessary to look for new markets for the placement of crude oil.

The lack of financial resources for the development of commitments and the growing dependence on external financing could be another threat in the medium term. Added to this is a high dependence on foreign technology, which would limit access to state-of-the-art technology to meet future demands.

CHARACTERISTICS OF THE VENEZUELAN REFINING SYSTEM

Venezuela has a wide experience in the construction of modules for production facilities, such as in Lake Maracaibo, and large refining process modules have been developed throughout the national territory and abroad.

Since 1976, a process oriented to the recovery and increase of the national oil production began, increasing its refining capacity and adapting to the environmental measures involved in the exploitation of the resources, this is how Venezuela is projected to increase the commercialization of its by-products to the international market, giving a greater added value to oil.

In the conversion processes used by PDVSA, the generation of changes in the molecular structure of one or several of the components of the mixture is foreseen; as indicated in the official page of the agency "the best known conversion process is cracking or rupture of molecules, but there are processes such as isomerization, and polymerization among others".

The main refining processes used by PDVSA are as follows

- Crude Distillation
- Vacuum distillation
- Coking Viscoreduction
- Catalytic reforming
- Isomerization
- Catalytic dehydration
- Fluidized Bed Catalytic Dehydration
- Hydrogen treatment
- Alkylation
- Industrial solvents
- BTX

A variety of products are obtained from these processes, from highly volatile gases and liquids, to thick fluids such as asphalt or solids such as kerosenes and waxes.

Basic Derivatives:

- Gases
- Motor gasoline
- Aviation gasoline (Jet Fuel)
- Kerosene
- Gasoil
- Diesel
- Solvents
- Lubricant bases
- Kerosene wax
- Heavy fuel (Fuel Oil)
- Asphalt

Depending on the API grade of the oil, coke and sulfur are also residual after completion of the refining process.

CONSIDERATIONS OF THE OIL SECTOR

The Venezuelan Chamber of Petroleum in its report on participation and national content presents its reflections in relation to the participation of the national industry of goods and services in the recovery of the national oil industry; considering different proposals to adapt the Organic Law of Hydrocarbons in force, and to adapt it to the reality that Venezuela and the world are currently going through.

Some considerations on the part of the union are centered on the premise that the oil industry is in a considerable deterioration, this together with the debts contracted by PDVSA and the lack of trained personnel to operate in the different sites; however, it is projected that the recovery of the same has to be hand in hand with private investment.

There are 3 basic aspects to consider when investing in the Venezuelan Oil Industry.

1. Reduction of taxes and royalties
2. Allowing the investing oil operator to be a real operator, allowing the free international commercialization of its production.
3. Not to limit the percentage of private and national participation.

It is considered that the national oil industry needs and is willing to allow through the reform of the Hydrocarbons Law by the National Assembly elected in 2020.

OPPORTUNITIES FOR INDIA

The Bolivarian Republic of Venezuela and the Republic of India have always enjoyed cordial relations, sharing similar political and economic visions. Likewise, bilateral relations and cooperation in multilateral forums are actively promoted, as evidenced by the numerous agreements related to the creation of a Joint Commission and cooperation in the hydrocarbon sector, all within the framework of making significant contributions outlined in the Plan of the Homeland 2019-2025.

The Republic of India, being the third largest consumer of energy and oil after China and the United States, has become an important refining center, having a current capacity of 249 MMTA comprising 23 refineries, 18 in the public sector, 3 in the private sector and 2 in a joint venture. Therefore, it has extensive experience in production and maintenance competence in the hydrocarbon refining industry.

At present, Venezuela needs to strengthen ties with allies that are willing to invest in the improvement of the structural conditions of the oil sector in order to promote cooperation through the exchange of final products of great demand in the world market, as is the case of the Republic of India, which according to the INVEST INDIA (National Investment Promotion & Facilitation Agency) portal, it is estimated that the demand for oil products will reach 244,960 MT by 2021-22 at a compound annual rate of 10%.

The broad competencies that a maintenance company should have for the Venezuelan refining sector should be:

- The rehabilitation and maintenance of oil wells, in order to improve their generation and refining capacity.
 - To assist in the maintenance of drilling rigs.
 - Import, commercialize and distribute chemical products for the oil and refining sector.
-

Anti Blocking law

The anti-blockade constitutional law decreed by the National Constituent Assembly, was promulgated on October 12, 2020 and published in the official gazette No. 6583, whose purpose is,

"[...] Establish a special and temporary regulatory framework that provides the Venezuelan Public Power with legal tools to counter, mitigate and reduce, in an effective, urgent and necessary manner, the harmful effects generated by the imposition, against the Bolivarian Republic of Venezuela and its population, from unilateral coercive measures and other restrictive or punitive measures, emanating or dictated by another State or group of States, or by acts or omissions derived from them, by international organizations or other foreign public or private entities, that affect human rights of the Venezuelan people, imply attacks against International Law and, as a whole, constitute crimes against humanity and the impairment of the right to free and sovereign development of the Venezuelan people enshrined in the Constitution of the Bolivarian Republic of Venezuela. "

In general terms, the anti-blockade law has a scope that includes the entire national territory. Being of general interest, all branches of public power are included, as well as natural and legal persons that have activity within the national territory and are of preferential application with respect to the current legal regulations and before the derived decree that the State of Exception agrees and Economic emergency within the national territory.

In terms of complementarity, this law can be applied in conjunction with the legal framework that includes the decisions emanating from the executive branch, as well as the legislation framed within the so-called economic emergency legislative framework and the rest of the current legislation. In this way, the executive branch is empowered to authorize the application or de-application of legal norms within the territory that require it, taking into consideration the reports emanating from the respective portfolios that are in charge of the matter. It is important to note that the norms that include the exercise of human rights are excepted, nor those relative to the division of Public Power that do not correspond to approving or authorizing powers.

In the case of administrative and contracting operations, the law allows the preparation and implementation of the operations available in the national and international markets for the administration of liabilities and assets held by the State. Similarly, exceptional contracting mechanisms are established, as well as payment and purchase of goods and services, after joint resolution of the ministries in charge of planning and trade.

On the other hand, the executive is granted the power to organize and / or reorganize State entities within and outside the national territory, in order to improve their operation and the different commercial relationships that they have. This includes, the possible modification of mechanisms of constitution, management, administration and operation of companies of the public sector or of mixed character.

Likewise, assets under the administration of the State, the product of some judicial or administrative measure, may be the object of an alliance with the private sector in order to strengthen their use and strengthen small and medium-sized enterprises. This

includes measures dictated by the national executive that favour the participation of the private sector in the national economy.

In another vein, the national executive is authorized to lift the various commercial restrictions on activities or subjects that it considers strategic, as well as the creation of financial instruments that allow the mitigation of the so-called unilateral coercive measures. This includes managing cryptocurrencies, e-commerce, and blockchain technology.

Likewise, the republic, through the national executive, may by mutual agreement create conditions that guarantee the protection of the investment, through clauses that so specify. For the above, it will be necessary for investors to have agreed on these measures with the national executive and exhausted the resources established by the internal legal order. The executive reserves the use of the dispute resolution mechanisms that he considers applicable.

An important aspect of the law lies in the reserve, confidentiality and limited disclosure of the information, which may be motivated and for a specified time, in order to guarantee the effective application of the measures dictated by the national executive. Likewise, access to documentation that has been classified as confidential or reserved is prohibited, as well as simple or certified copies of it may not be issued. These elements include files, documents, information, facts or circumstances that are within the framework of their functions.

In this way, the procedures, acts and records that are applied within the framework of this law and that imply the de-application of another current rule are declared secret and reserved. This measure will take effect even after 90 days after the cessation of the unilateral coercive measures or any measure that the national executive considers has led to the situation of blockade.

Venezuela-Related Sanctions

The legal framework that offers support to the set of actions exercised by the Government of the United States of America against the Government of the Bolivarian Republic of Venezuela, includes: The Law of Defence of Human Rights and Civil Society of Venezuela dated December 18 of 2014, and the Law for the Defence of Human Rights of the Civil Society of Venezuela (extension) dated July 15, 2016.

General Licenses

OFAC issues general licenses in order to authorize activities that would otherwise be prohibited with regard to Venezuela. General licenses allow all US persons to engage in the activity described in the general license without needing to apply for a specific license.

In the next chart, we sort each general license by chronology.

GENERAL LICENSES IN ORDER TO AUTHORIZE ACTIVITIES THAT WOULD OTHERWISE BE PROHIBITED WITH REGARD TO VENEZUELA	
Venezuela General License 2A	Authorizing Certain New Debt, New Equity, and Securities Transactions Involving PDV Holding, Inc. and CITGO Holding, Inc.
Venezuela General License 3H	Authorizing Transactions Related to, Provision of Financing for, and Other Dealings in Certain Bonds
Venezuela General License 4C	Authorizing Certain New Debt Transactions and Other Transactions Involving Certain Blocked Persons Related to the Exportation or Reexportation of Agricultural Commodities, Medicine, Medical Devices, Replacement Parts and Components, or Software Updates
Venezuela General License 5F	Authorizing Certain Transactions Related to the Petróleos de Venezuela, S.A. 2020 8.5 Percent Bond on or After July 21, 2021
Venezuela General License 7C	Authorizing Certain Activities Involving PDV Holding, Inc. and CITGO Holding, Inc.
Venezuela General License 8G	Authorizing Transactions Involving Petróleos de Venezuela, S.A. (PDVSA) Necessary for the Limited Maintenance of Essential Operations in Venezuela or the Wind Down of Operations in Venezuela for Certain Entities.
Venezuela General License 9G	Authorizing Transactions Related to Dealings in Certain Securities.
Venezuela General License 10A	Authorizing the Purchase in Venezuela of Refined Petroleum Products from Petróleos de Venezuela, S.A. (PDVSA)
Venezuela General License 15C	Authorizing Transactions Involving Certain Banks for Certain Entities.
Venezuela General License 16C	Authorizing Maintenance of U.S. Person Accounts and Noncommercial, Personal Remittances involving Certain Banks.
Venezuela General License 18A	Authorizing Certain Transactions Involving Integración Administradora de Fondos de Ahorro Previsional, S.A.
Venezuela General License 20B	Authorizing Official Activities of Certain International Organizations Involving the Government of Venezuela.

Venezuela General License 21	Entries in Certain Accounts for Normal Service Charges and Payments and Transfers to Blocked Accounts in U.S. Financial Institutions Authorized.
Venezuela General License 22	Venezuela's Mission to the United Nations
Venezuela General License 23	Third-country Diplomatic and Consular Funds Transfers Authorized
Venezuela General License 24	Certain Transactions Involving the Government of Venezuela Related to Telecommunications and Mail Authorized.
Venezuela General License 25	Exportation of Certain Services, Software, Hardware, and Technology Incident to the Exchange of Communications over the Internet Authorized.
Venezuela General License 26	Emergency and Certain Other Medical Services Authorized.
Venezuela General License 27	Certain Transactions Related to Patents, Trademarks, and Copyrights Authorized.
Venezuela General License 29	Certain Transactions Involving the Government of Venezuela in Support of Certain Nongovernmental Organizations' Activities Authorized.
Venezuela General License 30A	Authorizing Certain Transactions Necessary to Port and Airport Operations.
Venezuela General License 31A	Certain Transactions Involving the IV Venezuelan National Assembly, the Interim President of Venezuela, and Certain Other Persons Authorized.
Venezuela General License 32	Authorizing Certain Transactions Related to Personal Maintenance of Individuals who are U.S. Persons Residing in Venezuela.
Venezuela General License 33	Authorizing Overflight Payments, Emergency Landings, and Air Ambulance Services.
Venezuela General License 34A	Authorizing Transactions Involving Certain Government of Venezuela Persons.
Venezuela General License 35	Authorizing Certain Administrative Transactions with the Government of Venezuela.

Source: U.S. Department of the Treasury. Available: <https://home.treasury.gov/policy-issues/financial-sanctions/sanctions-programs-and-country-information/venezuela-related-sanctions>

Executive Orders

The Venezuela-related Sanctions program represents the implementation of multiple legal authorities. Some of these authorities are in the form of an executive order issued by the President. Other authorities are public laws (statutes) passed by The Congress. These authorities are further codified by OFAC in its regulations which are published in the Code of Federal Regulations (CFR).

THE VENEZUELA-RELATED SANCTIONS PROGRAM EXECUTIVE ORDERS	
13884	Blocking Property of the Government of Venezuela - (August 5, 2019)
13857	Taking Additional Steps to Address the National Emergency with Respect to Venezuela (January 25, 2019)
13850	Blocking Property of Additional Persons Contributing to the Situation in Venezuela (November 1, 2018)
13835	Prohibiting Certain Additional Transactions with Respect to Venezuela (May 21, 2018)
13827	Taking Additional Steps to Address the Situation in Venezuela (March 19, 2018)
13808	Imposing Additional Sanctions with Respect to the Situation in Venezuela (August 24, 2017)
13692	Blocking Property and Suspending Entry of Certain Persons Contributing to the Situation in Venezuela (March 8, 2015)
Source: U.S. Department of the Treasury. Available: https://home.treasury.gov/policy-issues/financial-sanctions/sanctions-programs-and-country-information/venezuela-related-sanctions	

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Available at: https://www.opec.org/opec_web/en/index.htm

WB. The World Bank.

Available at: <http://databank.worldbank.org/data/databases.aspx>

IEA. International Energy Agency.

Available at: <https://www.iea.org/>

PDVSA. Petróleos de Venezuela.

Available at: <http://www.pdvsa.com/>

INDIA INC.

Available at: <https://indiaincgroup.com/>

OIL COMMUNITY.

Available at: <https://lacomunidadpetrolera.com>

VENEZUELAN ASSOCIATION OF ELECTRICAL AND MECHANICAL ENGINEERING AND RELATED CAREERS.

Available at: <http://aviem.org/>
