



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE DEPUTY GOVERNOR
FINANCIAL SUPERVISION SECTOR

CIRCULAR LETTER NO. CL-2019- 016

To : All BSP-Supervised Financial Institutions (BSFIs)

**Subject : U.S. Department of the Treasury, Office of Foreign Assets Control (OFAC)
Updated Frequently Asked Questions (FAQs) on Venezuela-related
Sanctions**

In view of the political crisis in Venezuela, the United States (U.S.) Department of the Treasury's Office of Foreign Assets Control (OFAC) recently amended its Frequently Asked Questions (FAQs)¹ with respect to Venezuela-related sanctions.

As an overview, the US government issued several Executive Orders (EO)² (i.e., 13692, 13808, 13827, 13835, 13850, 13857) to address concerns arising from the political crisis in Venezuela, resulting in the following:

- a. Imposition by the US government of various sanctions which must be complied with by US persons, as defined in the EOs;
- b. Inclusion of some individuals, groups and entities associated with the Maduro regime in the US-OFAC Sanctions List, referred to as "Specially Designated Nationals or SDNs", which now includes the Petroleos de Venezuela, S.A. (PdVSA)³. As such, their assets are blocked and US persons are generally prohibited in dealing with such assets; and
- c. Issuance by the US Department of the Treasury, through the OFAC, guidance in the form of FAQs for better understanding of the sanctions and their exceptions.

While the sanctions are directed at US persons, the Philippines should cooperate pursuant to the Anti-Money Laundering Act (Republic Act No. 9160, as amended), that is, *"to ensure that the Philippines shall not be used as a money laundering site for the proceeds of any unlawful activity"* and *"to extend cooperation in transnational investigations and prosecutions of persons involved in money laundering activities wherever committed"*.

¹ The amended/updated FAQ can be downloaded from the website of the U.S. Department of the Treasury (https://www.treasury.gov/resource-center/faqs/Sanctions/Pages/faq_other.aspx#venezuela).

² Executive Orders (EOs) cited can be downloaded from the website of the U.S. Department of the Treasury (https://www.treasury.gov/resource-center/faqs/Sanctions/Pages/faq_other.aspx#venezuela).

³ **Petróleos de Venezuela, S.A. (PdVSA)**, together with its subsidiaries, engages in exploring, exploiting, manufacturing, refining, storing, transporting, commercializing, and trading in crude oil and other hydrocarbons in Venezuela and internationally. It is also involved in the agricultural and industrial activities; manufacturing, processing, and marketing of goods; and provision of services. The company was founded in 1975 and is based in Caracas, Venezuela. (Source: www.bloomberg.com, accessed on 11 Feb. 2019).

In this regard, all BSFIs are expected to:

1. Conduct appropriate customer due diligence procedures, including sanctions screening, to identify clients that are included in the US-OFAC Sanctions List and/or have any dealings or relations with any of the US-OFAC designated individuals and entities, and take appropriate action thereon;
2. Conduct further investigation and submit suspicious transaction reports to the Anti-Money Laundering Council, when warranted; and
3. Determine exposures to any of the debt, bonds and other similar instruments issued by any of the designated Venezuelan government entities or government-owned and controlled entities and their subsidiaries and affiliates, and perform necessary actions.

For information and compliance.


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Deputy Governor

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