VENEZUELA'S REOPENING: INVESTMENT, INFRASTRUCTURE, AND TECHNOLOGY OPPORTUNITIES IN A REBUILDING LATIN AMERICA

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US Policy and Regulatory Alert

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As we enter the latter part of 2026, eight months after the removal of Nicolás Maduro, Venezuela is presenting foreign investors with an opportunity that has not existed in a generation. Sanctions relief is expanding, new mining and energy legislation is opening sectors long closed to private capital, and new reports identify Chevron and Halliburton nearing multibillion-dollar agreements to expand oil-field operations, following Hunt Oil and SLB's landmark deals earlier this month. Parallel discussions over a direct US government stake in some of the country's largest fields point to sustained, high-level US commitment to the country's economic recovery, which must be tempered by the discipline that any Venezuela strategy requires, navigating corruption, cartel-related issues, security, and rule-of-law risk. This alert outlines the developments driving current opportunities, the practical steps that allow clients to move confidently, and how our Latin America, Emerging Technology Policy, White Collar Defense and Investigations, and International Trade practices can help clients participate in Venezuela's (and greater Latin America's) reopening on favorable terms.

KEY TAKEAWAYS

- Venezuela's reopening is accelerating, not merely continuing: Chevron and Halliburton are reportedly nearing multibillion-dollar deals, and the Trump Administration is pursuing a direct US government stake in 17 top-producing fields holding an estimated 65 billion barrels of reserves—among the most significant untapped reserves available to Western investors anywhere in the world.
- General licenses provided by Treasury's Office of Foreign Assets Control (OFAC) are expanding steadily in scope; clients who engage early and structure carefully are positioned to benefit as each new license builds on the last.
- Venezuela's April 2026 mining law reform opens strategic-mineral extraction, including gold, to foreign and private companies, with concessions of up to 30 years—a durable, long-horizon framework for investors prepared to enter now.
- Reconstruction following the June 2026 earthquakes, together with humanitarian recovery efforts, are creating meaningful near-term demand across infrastructure, energy, and telecommunications, alongside the country's longer-term development needs.

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- Telecommunications modernization, digital infrastructure, and grid technology offer lower-capital entry points for clients seeking early exposure to Venezuela's reopening ahead of larger-scale energy and mining commitments.
- As new telecommunications and financial infrastructure is deployed, clients have a timely opportunity to build in post-quantum cryptographic standards from the outset—a modest, forward-looking step informed by Latin America's fast-growing quantum-computing ecosystem.
- Venezuela's reopening presents meaningful opportunity, but it also requires disciplined risk navigation. Corruption risk remains elevated, cartel-related exposure should be treated as a serious diligence issue, and local security conditions may affect counterparties, personnel, project sites, and execution timelines. These risks are not necessarily a reason to stay out of the market, but they should be addressed directly through enhanced diligence, careful counterparty screening, contractual protections, and practical security planning.
- With the right license analysis, contractual protections, due diligence, and risk mitigation planning, political transition and operating-environment risks are manageable—and we encourage clients evaluating Venezuela and Latin America to engage our team early so we can help position them to move quickly as opportunities firm up.

BACKGROUND

On 3 January 2026, US forces conducted a military operation, Operation Absolute Resolve, in Caracas that resulted in the capture and removal of Nicolás Maduro and his wife, Cilia Flores, who now face narco-terrorism charges in the United States. Venezuela's Supreme Court installed then-Vice President Delcy Rodríguez as acting president. Secretary of State Marco Rubio has outlined a three-phase framework for the Administration's approach to the transition—stabilization, economic recovery and political reconciliation, and ultimately political transition—and talks involving multiple stakeholders began in August 2026, initially focused on earthquake response and expanding political freedoms. Momentum has been sustained rather than fleeting: eight months on, sanctions relief, legislative reform, and private-sector deal activity continue to build on one another.

On 24 June 2026, two major earthquakes struck Venezuela, damaging the country's infrastructure and resulting in loss of lives. Relief and recovery efforts remain ongoing, and the human toll of these events continues to be felt across affected communities. The region's reconstruction needs, while born of tragedy, are reinforcing the country's near-term demand for infrastructure, energy, and telecommunications investment alongside longer-term development priorities.

Sanctions Relief Is Expanding and Remains Fluid

OFAC has moved incrementally but consistently since Maduro's removal, replacing the prior wind-down posture toward Chevron's joint ventures with a series of general licenses that widen the scope of permissible activity, as of the date of this publication:

- General License No. 49 authorizes US persons to negotiate and enter into contingent contracts for new investment in Venezuela's oil and gas sector.

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- General License No. 50, as most recently amended (GL 50C, issued 27 August 2026), authorizes specified transactions involving BP, Chevron, Eni, Maurel & Prom, Repsol, and others in Venezuela's oil and gas sector, subject to specified conditions. Contracts with the Venezuelan government, PdVSA, or PdVSA-affiliated entities must still be governed by US law as to core contract-law questions—interpretation, breach, remedies, and enforceability—though OFAC has clarified that this does not override applicable Venezuelan permitting, labor, environmental, and health and safety requirements, and dispute-resolution proceedings may now occur in the United States, the United Kingdom, France, or Singapore. OFAC has amended this license repeatedly since its original issuance in February 2026—most recently as part of a broader 27 August update that amended eight Venezuela-related general licenses—underscoring the need for clients to monitor the terms of the authorization as the Venezuela sanctions framework evolves.
- General License No. 61, issued in August 2026, authorizes US companies to provide technology, software, and services for the installation, maintenance, and upgrade of telecommunications infrastructure for Venezuela's state telecommunications company, CANTV, and its regulator, CONATEL.
- Additional company-specific licenses continue to issue, including a 30-day license permitting Gold Reserve to negotiate mining-sector business arrangements—evidence that OFAC is actively processing new requests rather than holding the line.

Each license remains narrow and specific to its terms, and companies should read them carefully rather than assume broader relief. The licenses also do not relieve companies of their obligations under other federal regimes, including export controls administered by the US Department of Commerce's Bureau of Industry and Security. Companies should integrate export control compliance into their transaction planning from the outset, alongside sanctions compliance considerations.

That said, the trend over the past eight months has moved consistently in one direction—toward greater openness—and clients who engage now can help shape how the next round of licensing applies to their own transactions.

Legislative Reform Is Building a Durable Foundation

In January 2026, Venezuela's National Assembly gave preliminary approval to a bill permitting private companies to conduct oil exploration and extraction independently—activity previously reserved to the state. In April 2026, the Assembly unanimously approved a comprehensive mining law reform spanning more than 130 articles that opens strategic-mineral extraction, including gold, to foreign and private companies and consortiums, with concessions of up to 30 years, renewable twice. Unanimous legislative support for both reforms suggests a level of political consensus around economic opening that should give investors confidence in the durability of the new framework.

US Oil: A Vote of Confidence from Industry

Recent reporting indicates that Chevron and Halliburton are nearing agreements that would commit billions of dollars to Venezuela's oil sector. We view this as a meaningful signal: Chevron, the only major US operator with continuous, on-the-ground experience in Venezuela through its three existing PdVSA joint ventures, is reportedly close to adding two additional heavy-oil fields to its portfolio, and Halliburton is separately in discussions to

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provide oilfield equipment and services. That two of the most sophisticated, risk-disciplined companies in the sector are moving toward expansion—not merely maintaining existing positions—reflects growing confidence in the durability of the current opening.

Earlier in August 2026, Hunt Oil and SLB became the first US companies in roughly two decades to sign new agreements to produce Venezuelan oil, demonstrating that meaningful opportunities are available today for companies willing to move ahead of the largest players. Venezuela's current output stands at approximately 1.1 million barrels per day—essentially flat year-over-year—which we read as substantial untapped upside rather than a sign of weak momentum, given the scale of investment now under discussion.

These company-level negotiations are running in parallel with separate, higher-level discussions between the Trump Administration and Venezuela concerning a direct US government interest in 17 of the country's top-producing fields, which collectively hold an estimated 65 billion barrels of proven reserves. Taken together, sustained engagement at both the commercial and sovereign levels reinforces our view that the current window for entry reflects a genuine, structural shift rather than a temporary opening.

Emerging Technology: An Accessible Entry Point

Energy and mining have understandably dominated headlines, but we see technology-sector opportunities developing in parallel—and, for clients seeking a way to establish an early presence in Venezuela, they may be the most accessible entry point available today. As new telecommunications and financial infrastructure is deployed, investors may also have an opportunity to incorporate emerging cybersecurity standards, including post-quantum cryptography, into new systems rather than retrofitting infrastructure later.

Telecommunications modernization

Venezuela's public telecommunications infrastructure has relied heavily on Chinese vendors, including Huawei, for 4G macro equipment, with no public 5G deployment to date. GL 61's authorization for US companies to service and upgrade CANTV and CONATEL infrastructure creates a genuine opening for Western and allied vendors to compete for modernization contracts.

Digital infrastructure and fintech

Digital public infrastructure and financial-technology platforms are likely to feature prominently in Venezuela's broader economic-recovery package, supporting currency stabilization, remittance flows, and modernized tax and customs administration. India has already signaled early interest in this space: in February 2025, India's Ministry of Electronics and Information Technology and Venezuela's Ministry of Science and Technology signed a memorandum of understanding to share India's digital public infrastructure frameworks—including Aadhaar, the Unified Payments Interface, and DigiLocker—as potential models for Venezuela's own digital transformation, with follow-up talks identifying pilot areas in digital payments, agriculture, and pharmaceuticals. These initiatives remain at an early, largely exploratory stage, with no major agreements yet concluded, but they illustrate that outside interest in Venezuela's digital economy is already extending beyond the traditional US-China axis—providing opportunities for US and allied technology providers to engage.

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Energy technology and grid rebuilding

Reconstruction of Venezuela's power generation and transmission infrastructure, accelerated by earthquake-recovery needs, will require significant investment in grid technology and distributed generation—creating near-term demand that complements the country's longer-term energy and mining development.

Corruption Risk/Mitigation

Venezuela's reopening also requires disciplined risk navigation. Venezuela remains among the highest-risk jurisdictions in the world from an anti-corruption perspective; Transparency International ranks it 180th out of 182 countries surveyed in its Corruption Perceptions Index. That reality matters because many of the opportunities now emerging—particularly in energy, mining, infrastructure, and telecommunications—are likely to involve Venezuelan government entities, state-owned enterprises, regulators, or local partners, whether directly or indirectly. In parallel, the Trump Administration has made cartel enforcement a central priority and designated two of Venezuela's largest criminal organizations as foreign terrorist organizations. Because illicit networks may touch portions of the legitimate economy, investors should treat cartel-related exposure, corruption risk, and local security conditions as practical deal considerations to be managed early. Rigorous beneficial-ownership screening, anti-corruption diligence, sanctions and FTO screening, cartel-exposure analysis, and local security assessments should be built into transaction planning from the outset, allowing clients to move quickly once counterparties, project sites, and deal structures are cleared.

Geopolitical Context: International Engagement

Venezuela's reopening is drawing sustained international interest, which we view as evidence of the opportunity's scale as much as a source of complexity:

- United States: Washington has taken a direct and sustained role in shaping the terms of sanctions relief, including by conditioning certain licenses on US law governing core contract terms and requiring dispute resolution to occur in the United States, the United Kingdom, France, or Singapore—terms that still put well-advised US and allied clients in a favorable structural position relative to other market entrants, even as OFAC has broadened the permitted dispute-resolution venues since these licenses were first issued.
- China: Chinese state-owned enterprises retain positions in telecommunications, underscoring the value of moving early in sectors, like telecom modernization, where Western vendors now have a genuine, license-backed opening.
- India: India has emerged as a significant crude-oil offtaker and is expanding into pharmaceuticals, agriculture, and digital infrastructure, reflecting the broadening base of international confidence in Venezuela's trajectory.
- Domestic developments: The acting government's engagement with international partners and its continued legislative progress are, on balance, encouraging signs, though we recommend monitoring the political situation closely as part of any deal timeline.

How Clients Can Move Forward with Confidence

- Engage counsel early to map the specific OFAC authorizations applicable to your sector and counterparties, so you can act quickly as favorable terms become available.

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- Consider phased entry—technical-service agreements and joint ventures with established local operators—that allow clients to build relationships and track progress while limiting early capital exposure.
- Build milestone-based contractual protections that let deals advance as conditions improve, rather than waiting for complete regulatory certainty before engaging.
- Apply rigorous beneficial-ownership screening and anti-corruption diligence as a matter of course, allowing clients to move quickly once counterparties are cleared.
- Evaluate political risk insurance and US government support mechanisms to underwrite near-term commitments with confidence.
- For telecommunications and infrastructure projects, assess how new licenses like GL 61 create room to compete for contracts historically held by Chinese vendors.
- Specify post-quantum cryptographic standards in new telecommunications and financial-infrastructure deployments now, rather than treating quantum-resistant security as a future retrofit.

Looking Ahead

We view the pace and direction of developments in Venezuela—expanding licenses, unanimous legislative reform, and now major US companies moving toward expansion rather than caution—as genuinely encouraging for clients considering the market. Real work remains to translate this momentum into completed transactions, and the political and regulatory environment will continue to evolve.

We encourage clients considering Venezuela-related opportunities—in energy, mining, telecommunications, or digital infrastructure—to reach out to our team. We are closely tracking these developments across our practice groups and welcome the opportunity to help clients move quickly and confidently as this market continues to open.

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