

Treasury  
Customs and Excise Division

## Sanctions Notice 47

### European Union Sanctions

### Venezuela



December 2017



**Isle of Man**  
Government

*Reilts Ellan Vannin*

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## About this Notice

This Notice draws attention in convenient form to measures designed to impose restrictive measures in respect of Venezuela

This Notice provides guidance on aspects of the measures having effect in the Isle of Man, and should be read in conjunction with any order or regulations giving effect to those measures in the Island.

The Treasury has appointed its Customs and Excise Division to act for the purpose of enforcing financial sanctions. Accordingly, certain powers have been delegated by the Treasury to the Division.

Enquiries concerning this Notice should be addressed to the address given below and marked for the attention of the Sanctions Officer.

The Sanctions Officer  
The Treasury  
Customs and Excise Division  
PO Box 6  
Custom House  
North Quay  
Douglas  
Isle of Man  
IM99 1AG

This Notice is provided for information purposes only, and its contents should not be taken as a definitive statement of the law. You are advised to seek independent legal advice if you believe you are affected by anything in this Notice.

For further information about sanctions in general, including how to deal with false positives, or when sanctions are lifted or persons delisted, see Sanctions Notice 26.

Sanctions Notice 32 deals with the granting of licences.

These Notices, and other information about sanctions and export and trade controls, may be found at - <https://www.gov.im/categories/tax-vat-and-your-money/customs-and-excise/sanctions-and-export-control/>

## Directions

The Customs and Excise Division, as agent for the Treasury, **directs** that any funds held for or on behalf of the individuals or entities named in the published lists having effect in the Island must not be made available, except under the authority of a licence in writing from the Treasury.

Any funds should be blocked or frozen and the details reported to the Division. All persons in business or a profession in the Island, including financial institutions, **must** check whether they maintain any account, or otherwise hold or control funds or economic resources, for individuals or entities included in the lists and, if so, they should freeze the account, funds or economic resources and report their findings to the Division.

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Any person, entity or body with information that would facilitate compliance with the sanctions Regulation(s) **must** supply such information to the Division and co-operate in any verification of the information.

## Introduction

1. Venezuela has been affected by a socioeconomic crisis since 2012 during Hugo Chávez's tenure and which has extended over the years into the current presidency of Nicolás Maduro. During the year 2016, for example, consumer prices rose 800%, the economy contracted by 18.6%, and hunger escalated to the point that the "Venezuela's Living Conditions Survey" (ENCOVI) found nearly 75 percent of the population had lost an average of at least 8.7 kg (19.4 lb) in weight due to a lack of proper nutrition.
2. The Council of the European Union, on 15 May 2017, adopted conclusions calling on all Venezuelan political actors and institutions to work in a constructive manner towards a solution to the crisis in the country while fully respecting the rule of law and human rights, democratic institutions and the separation of powers. It also stated that the release of jailed political opponents and respect for constitutional rights are crucial steps in building trust and helping the country to regain political stability.
3. On 26 July 2017, the European Union expressed concern at the numerous reports of human rights violations and excessive use of force, and called on the Venezuelan authorities to respect the Constitution of Venezuela and the rule of law and to ensure that fundamental rights and freedoms, including the right to peaceful demonstration, are guaranteed.
4. On 30 July 2017 Venezuelan authorities held elections for a new Constituent Assembly with the power to amend the constitution to grant more powers to President Maduro and allow the current authoritarian slide to continue in Venezuela. These elections have been denounced as illegitimate by the opposition and much of the international community. These elections and the repressive actions taken by the Maduro regime since July have durably worsened the political and humanitarian crisis in Venezuela, and continue to cause the deterioration of democracy, the rule of law and human rights in the country.
5. In response on 13 November 2017, the European Council adopted Council Regulation 2017/2063 imposing restrictive measures to pressure those in the Venezuelan government responsible for the deterioration of democracy, the rule of law and human rights in the country. These measures include an asset freeze, a travel ban and an arms embargo.

The EU Regulation 2017/2063 contained prohibitions and restrictions on –

- the sale, supply, transfer or export, directly or indirectly, of equipment which might be used for internal repression, to or for use in, Venezuela;
- providing, directly or indirectly, technical assistance or brokering services relating to equipment that might be used for internal repression to, or for use in, Venezuela;

- providing, directly or indirectly, financial assistance, including grants, loans, insurance and reinsurance, relating to equipment that might be used for internal repression, to, or for use in, Venezuela;
- providing, directly or indirectly, technical assistance or brokering services related to goods and technology listed in the Common Military List, or related to the provision, manufacture, maintenance and use of goods and technology on that List to any person, entity or body in, or for use in, Venezuela;
- providing, directly or indirectly, financing or financial assistance related to the sale, supply, transfer or export of goods or technology on the Common Military List, including grants, loans and export credit insurance, as well as insurance and reinsurance for any sale, supply or transfer, or the provision of any related technical assistance or brokering services to any person, entity or body in, or for use in, Venezuela.

Council Regulation 2017/2063 was applied in Island law by means of European Union (Venezuela Sanctions) Order 2017 [SD 2017/0366] with effect from 15 December 2017, with European Union (Venezuela Sanctions) Regulations 2017 [SD 2017/0367] coming into operation at the same time.

6. To date no persons or entities have been listed as being subject to the asset freeze.

#### **Funds and economic resources**

7. For the purpose of the sanctions, “funds” means financial assets and benefits of every kind, including (but not limited to) -
- cash, cheques, claims on money, drafts, money orders and other payment instruments;
  - deposits with financial institutions or other entities, balances on accounts, debts and debt obligations;
  - publicly- and privately-traded securities and debt instruments, including stocks and shares, certificates representing securities, bonds, notes, warrants, debentures and derivative contracts;
  - interest, dividends or other income or on value accruing from or generated by assets;
  - credit, right of set-off, guarantees, performance bonds or other financial commitments;
  - letters of credit, bills of lading, bills of sale;
  - documents evidencing an interest in funds or financial resources.
- 8 “Economic resources” means assets of every kind, whether tangible or intangible, movable or immovable, which are not funds but which may be used to obtain funds, goods or services.

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## **Frozen accounts**

9. All funds and economic resources belonging to, held or controlled by designated persons held by banks, building societies, stockbrokers, accountants etc must be frozen. No funds or economic resources may be made available to a designated person unless permitted by a licence from the Treasury, except that the following are permitted -
- adding to frozen accounts of interest or other earnings;
  - adding to frozen accounts payments due under contracts, agreements or obligations that arose or were concluded before the date on which the person was subject to sanctions in the Island;
  - adding to frozen accounts transfers from other sources.
10. Financial and credit institutions must notify the Sanctions Officer immediately if they have a frozen account, and if they receive transfers from other sources into frozen accounts.

## **Licences**

11. The Treasury may licence the release or the making available of funds or economic resources where -
- necessary for the basic needs of designated persons and their immediate family (including payments for foodstuffs, rent or mortgage, medicines and medical treatment, taxes, insurance premiums and public utility charges);
  - exclusively for reasonable professional fees or the reimbursement of expenses incurred in connection with the provision of legal services;
  - exclusively for payment of fees or service charges for the routine holding or maintenance of frozen funds or economic resources;
  - for extraordinary expenses;
  - exclusively to satisfy claims secured by a lien or judgment established prior to the date that the person involved became a designated person - but only if not for the benefit of a designated person and not contrary to public policy.

## **Amendments to this Notice**

This Notice was first published on 15 December 2017.

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## **Isle of Man Customs and Excise website**

Amendments to these sanctions will be advised by means of news releases which will be published on the official Isle of Man Government website at <https://www.gov.im/>

The Isle of Man Customs and Excise website will contain details of all current sanctions, news releases, Sanctions Notices and links to relevant websites and lists at <https://www.gov.im/categories/tax-vat-and-your-money/customs-and-excise/sanctions-and-export-control/>

New or amended versions of this Notice will be provided on that website.

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