Report on Supply Chain Compliance Volume 2, Number 8. May 02, 2019
In spite of EU nations' interest, US sanctions Venezuela, Cuba and Nicaragua

By Sascha Matuszak

On April 17, United States National Security Advisor John Bolton announced a new round of sanctions against Venezuela, Cuba and Nicaragua—dubbed the "troika of tyranny"—including caps on remittances from the U.S. to Cuba, a full implementation of Title III of the Cuban Liberty and Democratic Solidarity Act of 1996 (known as the Helms-Burton Act), and sanctions against the Central Bank of Venezuela and financial services provider Bancorp, Inc.

The added pressure on Venezuela will further disrupt energy supply chains in the Western Hemisphere, but it is the implementation of Title III and the potential secondary sanctions for trading in gold and other goods and services that has non-U.S. companies concerned. The supply chain and compliance implications for EU companies, in particular, are significant.

"[W]ithin days the administration will add over two dozen additional entities owned or controlled by the Cuban military and intelligence services to the restricted list of entities with which financial transactions by U.S. persons are prohibited," Bolton said. "[N]ew sanctions will target networks operating within corrupt Venezuelan economic sectors and deny them access to stolen wealth. Most immediately, the new sanctions will prevent U.S. persons from engaging with actors and networks complicit in corrupt or deceptive transactions in the Venezuelan gold sector."