

## **Venepandi's Circular - 038 – Borders closure with the Netherlands Antilles: Aruba, Curacao and Bonaire including all commercial trade.**

**The Venezuelan government has decided to completely close all borders with the Netherlands Antilles involving all commercial trade. Here we provide a legal input, frame and explanation regarding the closure's extent.**

On January 5<sup>th</sup> 2017, president Maduro announced a total trade restriction between Venezuela and the islands, below we include the first notice issued by the maritime authority confirming this decision. As may be considered, this notice doesn't exclude any type of trading (oil, etc) from the restriction, however, the president informed that the reason for the band was the smuggling of "strategic products". Although the concept of strategic products isn't clear (although frequently used either by legislators and judges), it appears that the government was referring mainly to food and medicines given the social and economic crisis the country is passing through.

One day after that, the band was lifted only for recreational vessels only as may be noticed from the second notice included below. Finally, on January 9<sup>th</sup>, the government declared their decision to indefinitely extent the closure. The maritime authority issued a new notice (below) informing that the restrictions will be maintained for all vessel loaded with perishable products or not. The problem here (again) is that the content of these restrictions aren't clear, it's evident that with perishable products they refer mainly to food and medicines, but with adding "or not" they're basically extending the restriction to all vessels again, which seems contrary to the intention. We believe that each vessel will know if the clearance with the Antilles as destination will be granted or not only after requesting the permission to sail. It's advised to consult this with ship agents or P&I correspondent in advance before sailing to Venezuela with intention to navigate to the Antilles later.

The oil state company holds important assets such as oil refineries, etc. in Aruba, therefore we do not consider that the government will affect their own interests by restricting the oil traffic to the islands. Off the record, we've been able to find out that even during the weekend the traffic for tankers continued without any incidents and/or delays. This can be confirmed with the arrival of the M/T PROTEO to Curacao this week after sailing from Amuay bay (this vessel is currently arrested there due financial reasons involving PDVSA).

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The P&I Correspondent in Venezuela

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Unfortunately the level of discretion here is enormous and given the circumstances above explained there's no way to say for sure which vessels will find restrictions (as said above, we do not believe that the tankers will find issues). Additionally, from legal point of view, such restrictions cannot be enforced with simply "notices" but with presidential decrees published in the official gazette which is not the case.

Please let us know should you have any further specific question about any local topic. Additionally, please remember to credit our company in case you chose to share this information.

**Loss Prevention Team  
Venepandi, C.A.**

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