

GLOBALPANDI

Circular for P&I Clubs

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Correspondents for:

Britannia, British Marine, Carina, Charterers P&I Club, China P&I Club, GARD, ITIC, Korea P&I Club, Navigators, Nordisk Defence Club (Through Sabatino Pizzolante), Lodestar Marine, North of England P&I Club, Raets Club, Shipowners P&I Club, Skuld, The Standard P&I Club, Steamship Mutual, The American Club, The London P&I Club, West of England and Through Transport Club (TTC)

Payment of port services in “Petros” by foreign flag ships

In the context of the serious economic crisis Venezuela is currently going through, months ago the government announced the implementation of the “Petro” (www.elpetro.gob.ve), which it is said to be a cryptocurrency, digital currency or so, designed to circumvent U.S. and European sanctions. It is called the petro, since this digital currency is pegged to the country’s oil reserves.

In line with the former, on 23rd March 2018 the Venezuelan maritime authority (INEA) issued Circular 006 informing about the imminent payment by ship agents of services such as pilotage and towage in “Petros”, on behalf of foreign flag ships. This mechanism could be extended to port services payable to Bolipuertos, S.A. running the country’s main public ports, although this has not been announced yet. Limited information available about when and how this mechanism of payment will be implemented, for which a meeting between the INEA and ship agents took place last week. This announcement, obviously, caused certain confusion within the maritime community due to the lack of information about the petro system, and so ship agents were looking for the meeting referred to.

Additionally, on 28th March the same maritime authority through its collection department informed via e-mail to ship agents in general that despite the Circular previously issued, no payments in “Petros” have been implemented so far, and this will be done only when technical aspects are covered for which the users will be duly informed.

Therefore, payments of these services for foreign flag vessels are still working in US\$ or Bs. as the case might be, although it has been

announced that payments in US\$ would be shifted to Euros shortly. In any case it has now learned that pursuant the content of Circular 006, the INEA intends to collect an initial 10% of the services in Petros, whereas the rest in foreign currency.

It is important to point out that the announcement made by the Venezuelan government is also of concern for the maritime community, if it is borne in mind that on 19th March 2018 the Trump administration issued the Executive Order 13827 as part of the US sanctions to Venezuela, according to which: “Sec. 1 (a) All transactions related to, provision of financing for, and other dealings in, by a United States person or within the United States, any digital currency, digital coin, or digital token, that was issued by, for, or on behalf of the Government of Venezuela on or after January 9, 2018, are prohibited as of the effective date of this order”; whereas Sec. 2 states: “(a) Any transaction that evades or avoids, has the purpose of evading or avoiding, causes violation of, or attempts to violate any of the prohibition set forth in this order is prohibited. (b) Any conspiracy formed to violate any of the prohibition set forth in this order is prohibited”.

We are currently assessing the matter, as we gather more information on this issue from the maritime authority, in order to understand the scope and impact (if any) of this new Executive Order in the light of the eventual implementation of the payment of port services through the petro, both for ship agents as well as foreign shipowners.

For the time being, Members could be advised that payments in “Petros” for some items through their ship agents are certainly a possibility in the coming weeks.

Should you need any assistance or further information regarding the topic stated above, please feel free to contact:

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