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Venezuela Set to Change Official Fees Payment System... Again

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Foreign companies continuing to protect their IP rights in Venezuela face yet more changes related to payment of government fees. These new changes aim to circumvent the US sanctions being monitored and regulated by the US Department of the Treasury and will allow companies to once again pay government fees to the Venezuelan Patent Office (SAPI) and ensure intellectual property rights (IPRs) are protected. However the payment mechanism is bizarre and companies will have to decide whether to proceed with the payments.

A highly discriminatory payment system for foreign entities was implemented by SAPI in 2014. This was followed by a temporary suspension of payment of official fees in 2018, and then at the start of this year the designation of the Venezuelan government crypto currency, the *Petro*, as the only way to pay official fees.

Until now, there is no provision of the US sanctions ([US Executive Order 13850](#)) that prohibits US persons from the payment of official fees for the acquisition and maintenance of IPRs in Venezuela. However, payment in *Petros* is in violation of these sanctions and thus rights holders can no longer pay these government fees.

According to US Department of the Treasury, Office of Foreign Assets Control (OFAC), “The designation of an official of the Government of Venezuela does not mean that the government itself is also blocked. [The prohibitions apply to transactions or dealings only with the individuals and entities whose property and interests in property are blocked](#)”.

As a result of extensive discussions and hearings between the IP community and SAPI, a new alternative was offered. At the beginning of May, SAPI posted on its website (www.sapi.gob.ve) and related social media accounts the availability of a new procedure for the payment of official fees for foreign IP holders in US dollars. The new procedure has not been fully implemented yet and the IP community is still waiting a formal new resolution ratifying the proposed procedure.

The new payment procedure involves deposits only in US dollars, and payment must be in cash, in a new account at the Banco del Tesoro, exclusively at one branch in Caracas. Payments of IP official fees to SAPI through its account at Banco del Tesoro

will comply with the US treasury department's regulations and will not expose IPR holders to sanctions from OFAC or any other US or international agency. As of today, Banco del Tesoro has not been designated as an entity whose property and interest in property are blocked, thus, it is not subject to US sanctions.

However, the mechanism is far from perfect, since this new procedure will require authorized IP law firms to have access to US dollars in cash (and we are talking about hundreds of thousands of dollars in total), in a country where the handling of cash represents exposure to extreme risks and danger. Caracas is among the five most unsafe cities in the world, according to recent rankings.

The analysis and consequences of this procedure is something that each company must review, especially those familiar with similar scenarios in countries also exposed to international financial sanctions or doing business directly in Venezuela.

A deadline of 60 days to proceed with payments will end on 22 May, and so the IP community is actively seeking an extension, but have received no response yet from SAPI.

We are closely monitoring and evaluating the situation, keeping up with the changes that already have been made in the procedure and are waiting for an official announcement.

#SAPI #fees #dollars #cash #Venezuela #brandprotection #IPVenezuela

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