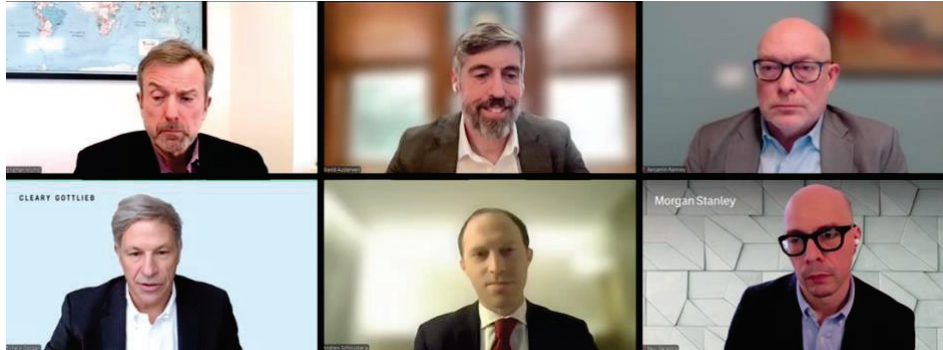


EMTA Webinar on Venezuela (January 14, 2026) – Event Summary

The US's 3-step plan for Venezuela, the Venezuelan political outlook and restructuring scenarios (including precedents, prerequisites, and complicating factors) were among the topics covered on EMTA's Webinar on Venezuela broadcast on January 14, 2026. Andrew Schlossberg (Akin) chaired the panel, which also featured Richard Cooper (Cleary, Gottlieb, Steen & Hamilton), Ben Ramsey (JPMorgan), Raul Gallegos (Morgan Stanley) and David Austerweil (VanEck).

In introductory remarks, Schlossberg reminded attendees of the events in Venezuela to date, summarizing the American 3-step plan of (1) stabilization of the country, (2) recovery, including restored access to the Venezuelan market, and (3) transition.

"Things are happening very quickly, but our main scenario is that Trump will find a way to work with whoever runs Venezuela," asserted Gallegos. He did not anticipate near-term elections, but he did expect moves to revamp the oil industry, which would provide stability and economic growth, as well as the possible "roping in of the IMF" to accelerate the restructuring process.

Ramsey, who spoke in a personal capacity and did not represent his firm's views, recalled that, just weeks ago, US military intervention had seemed implausible, but the Trump administration has thus far surprised the market in "owning it without breaking it." Both Trump and Secretary of State Rubio have stressed that stability was a priority over a democratic transition. A key unknown was whether the US relationship with President Rodriguez would remain stable enough to lure investment into Venezuela. "Elections are needed to add legitimacy over the medium- and long-term; short-term, there could be a lot of turbulence...this unorthodox equilibrium will likely face challenges in the future."

Rodriguez will need to establish that she is indeed running Venezuela and must perform a delicate balancing act to prevent any military pushback, according to Gallegos, although the overhanging threat of US military intervention may strengthen her hand. From the US perspective, "Delcy may be seen as less odious than others in

Caracas.” He speculated that there might be ongoing attempts to lure other senior officials to leave the country “with some assurances.”

Ramsey voiced optimism that the remaining members of the Chavista regime would fall in line behind Rodriguez. Security will be a key issue for oil executives, but investors wishing for IMF involvement may be disappointed as it did not appear to be a US priority. Finally, formal recognition of the National Assembly would be an important step towards enacting legal, regulatory and institutional reforms going forward, and Ramsey acknowledged the number of “very complicated arguments.”

The influence of the opposition was likely to be limited “because it controls no levers of power,” stated Gallegos. “Turning the regime into a democracy is not a linear process, unfortunately,” he added. Gallegos would not rule out a potential Rodriguez victory if elections were delayed until increased oil production led to an economic boom.

Cooper remarked that any relief of sanctions will likely be on a case-by-case basis instead of the more general Biden-style General Licenses (GLs), at least for the foreseeable future. The Trump administration will undoubtedly want to control who’s making the investments in Venezuela, and sanctions relief for those entities would accomplish that objective.

Austerweil added that the removal of sanctions was indeed the first step toward negotiations between the sovereign and creditors, who should “coordinate their demands” so that an acceptable plan would be presented to the government. “Curing a default” through restructuring would enable the oil economy to recover.

Cooper reminded attendees that the recent Executive Order (EO) immunizes from attachment only those funds deposited in the US custodial account (as opposed to assets globally). Whether this will “morph into some kind of sword” that will facilitate creditor recoveries or new money investments (or even force the use of PDVSA assets for sovereign debt repayment) remains to be seen. In any event, the EO makes clear that the issue of safeguarding assets is of extraordinary importance for national security, while at the same time grouping the flows of funds from the Republic, PDVSA and the Central Bank all together, thus making them indistinguishable, which may have legal implications for PDVSA creditors. The EO may also have implications for the Citgo deal, as well as relative value recoveries for Venezuela and PDVSA creditors.

Key hurdles to a sovereign restructuring include the current sanctions preventing creditor discussions with Venezuelan officials, or new debt issuance, noted Austerweil. The formation of the Venezuela Creditor Committee (VCC) is an important step demonstrating bondholders’ readiness for talks.

Cooper described both first and second level challenges to an eventual restructuring. First level challenges include recognition, which is critical to facilitating interaction with creditors; but equally important would be the need to have a Venezuelan government and legislative function that is (and is viewed as) legitimate and constitutionally valid. Otherwise, new money providers and counterparties will run the risk that a subsequent government will challenge the validity of any new instruments or new investments. Second level issues include having an acceptable claims reconciliation

process, which will take time and could prove quite challenging. Another second level issue will include having a DSA which wouldn't necessarily have to be done by the IMF. The DSA will need to reflect the cost and timing of reviving Venezuela's oil sector as that will be critical to determining the correct mix (and terms) of new debt instruments—how much can the country afford in terms of fixed obligations versus contingent obligations. Lastly, having an appropriate and effective legal framework for the restructuring will be critical.

A Venezuelan debt restructuring will be “unique, and without an obvious precedent or single legal framework that can bind or incent all parties and instruments,” stated Cooper. He mentioned a number of factors including the fact that PDVSA bonds don't have CACs and Venezuela bonds that do have CACs don't have the second generation enhanced aggregated CACs, but there are also many other factors that will make this more complex and require more innovation when it comes to the architecture and execution of an eventual restructuring.

Cooper emphasized the ability of the Trump administration to make progress on the third pillar of its policy -- namely the transition to a legitimate government -- which will be critical, and stakeholders will be watching to see how successful it is in getting the interim authorities in Venezuela to take the necessary steps to achieve that (for example, freeing political prisoners, tolerating dissent, setting up electoral processes, etc.). He cautioned against a rush to “seize the moment” and negotiate with the current regime, which he stated would not be the best use of time and effort. Rather, creditors and the interim government (hopefully with members of the opposition) could advance and prepare for a restructuring without actually negotiating terms.

Austerweil argued that, in any case, there must be some level of opposition “buy in or acceptance” of any pre-transition deal so that the restructuring will be recognized (“what if there is a radical change of government in Venezuela?”). That way, a future Venezuelan government assertion of an “odious debt” argument would be unlikely. For him, a greater concern would be for any debt issued by the Rodriguez government that the US deemed illegitimate.

Responding to audience questions, Cooper stated that, on alter ego issues, the fact that the Citgo court ruled that PDVSA was the alter ego of the Republic was not dispositive on future alter ego claims, and that such claims would be based on the facts and circumstances at the time such claims were brought. Panelists were reluctant to estimate when a transition could occur. “The important thing is steady progress along the way,” stressed Cooper.

The Webinar was sponsored by Akin, with additional support provided by Cleary, Gottlieb, Steen & Hamilton, JPMorgan and Morgan Stanley.