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Trump Imposes Novel "Secondary Tariffs" on Countries Importing Venezuelan Oil and Petroleum Products

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Venezuela, Tariffs

Overview

On March 24, 2025, President Trump issued an Executive Order (EO) authorizing the imposition of a 25 percent tariff on all goods imported into the United States from any country that directly or indirectly imports Venezuelan oil. This measure, which builds upon existing economic sanctions on Venezuela, effectively combines tariff authorities with secondary sanctions to discourage all U.S. trading partners from purchasing Venezuelan oil. The measure is a novel and unprecedented use of tariff authorities.

In issuing this EO, President Trump relied on the International Emergency Economic Powers Act (IEEPA) and the National Emergencies Act (NEA), which grants the President broad authority to impose economic restrictions in response to a national emergency. A national emergency regarding Venezuela under IEEPA and the NEA was first declared by President Barack Obama in 2015, based on findings that the Government of Venezuela's erosion of human rights and significant government corruption threatened U.S. national security and foreign policy objectives. Following this declaration, the US imposed a range of traditional

economic sanctions against Venezuela and, in particular, its government.

Application of the Tariffs

Under this EO, any country that "imports Venezuelan oil, whether directly from Venezuela or indirectly through third parties" may be subject to a 25 percent tariff on all goods imported into the United States on or after April 2, 2025. The EO grants discretionary authority to the Secretary of State in imposing the tariffs, meaning the tariffs will not necessarily be automatically imposed on every country purchasing Venezuelan oil (although it is possible they are implemented in such a manner). Once imposed, the tariffs would be in place until one year after the last date on which the country imported Venezuelan oil, or until an earlier date if the Secretary of Commerce so determines.

The term "Venezuelan oil" is defined broadly to include: "Crude oil or petroleum products extracted, refined, or exported from Venezuela, regardless of the nationality of the entity involved in the production or sale of such crude oil or petroleum products."

The EO explains that an "indirect" purchase of Venezuelan oil could occur through a variety of means, including "[p]urchases of Venezuelan oil through intermediaries or third countries where the origin of the oil can reasonably be traced to Venezuela…"

While the imposition of these tariffs is up to the Secretary of State's discretion, the Secretary of Commerce is responsible for determining whether a country directly or indirectly imported Venezuelan oil, and implementing the EO through issuing regulations, guidance, and determinations. By September 20, 2025 (and every 180 days thereafter), the Secretaries of State and Commerce must submit reports to the President assessing the effectiveness of the tariffs and ongoing conduct of the Maduro regime.

Considerations for Industry

Since the issuance of the EO, the Trump administration has not indicated which countries, if any, might be subject to the tariffs on April 2, when the tariffs are set to take effect. According to a February 2024 report published by the U.S. Energy Information Administration, the largest purchasers of Venezuelan crude oil in 2023 were China and the United States, respectively constituting 68 percent and 23 percent of Venezuelan crude oil purchases, followed by Spain, Cuba, Singapore, Malaysia, Russia, Vietnam, and the Bahamas. Other major purchasers include India, which increased purchases of Venezuelan oil in 2024, and European nations, which purchased Venezuelan oil indirectly from the United States. Although the imposition of these tariffs is ultimately subject to the Secretary of State's discretion, China is likely on the short-list of potential targets given that it was the largest purchaser of Venezuelan crude oil in 2023 and 2024.

The tariffs imposed under this EO will be in addition to any existing duties under other authorities. This means that imports from countries with existing IEEPA, Section 232 and Section 301 tariffs, such as China, may be subject to four or more separate duties, not including any future actions contemplated by President Trump. The EO also leaves in place other sanctions targeting Venezuela, including existing secondary sanctions, which, among other measures, authorize the imposition of blocking sanctions on any person determined to "operate" in the "oil sector" of the Venezuelan economy.

Practices

Economic Sanctions

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