

## Venezuela, Sovereign Credit

### **Venezuela Bondholder Sees Sovereign Debt Restructuring Involving Value Recovery Instrument Linked to State-Owned Enterprise Dividends, Super Senior Sovereign Bonds**

Fri Jan 09, 2026 10:33 AM ET

Reporting: Magnus Scherman

Venezuela bondholders could be offered to exchange some of their long-defaulted paper for an equity-like [value recovery instrument](#), or VRI, tied to the financial performance of certain state-owned energy companies, Celestino Amore, Co-founder of Venezuela-focused Canaima Capital told Octus.

Payouts on such a Venezuelan VRI would be funded by dividends from chosen energy companies and/or divestment proceeds from their eventual privatization, Amore said.

Restructuring advisors have worked on models involving the use of Venezuela's long list of so-called “empresas mixtas” or joint companies, a term for large commodity businesses the Venezuelan state controls while keeping international partners involved as minority joint venture partners.

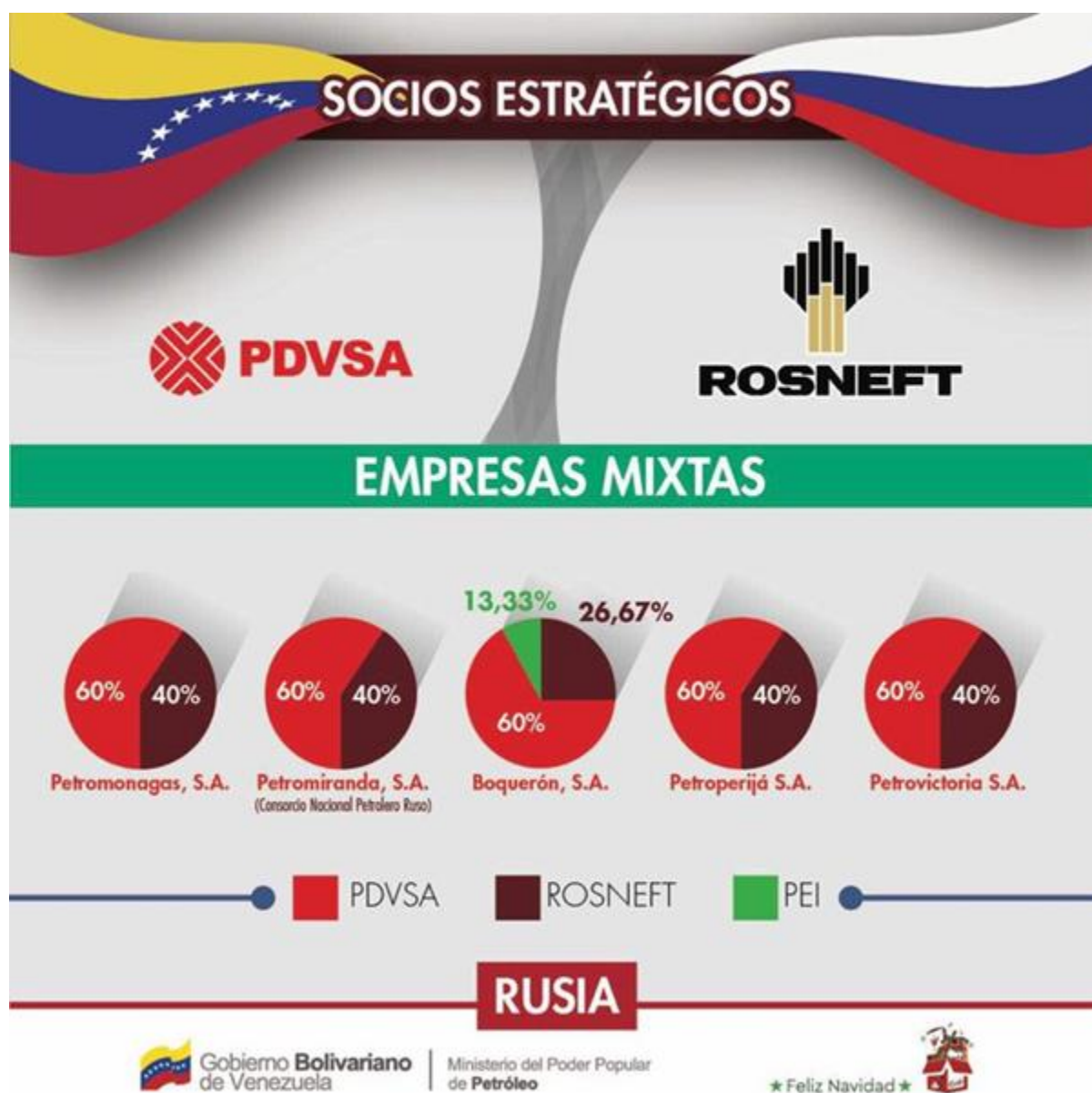
PDVSA is involved in four joint companies with U.S. group [Chevron](#). Below is a 2017 overview from PDVSA of “empresas mixtas” jointly owned with Russia’s Rosneft and China’s China National Petroleum Corp.:

Swapping existing debt into a dividend-backed VRI would be a cost-effective way for Venezuela to clear some of its [significant debt overhang](#) as payouts would only occur once the underlying companies deliver a profit to share. The financial risk arising from a delay in [resuming large-scale oil operations](#) would thereby be shared by both VRI holders and the Venezuelan state.

Venezuela’s bonds [rose around 10 points this week](#) after U.S. Armed Forces on Jan. 3 abducted and arrested President Nicolas Maduro. The sovereign 9.25% 2027 notes are at 42/43 today, according to Solve.

The Venezuela Creditor Committee today [said](#) it is ready to initiate a negotiated debt restructuring process for Venezuela’s public debt. The international investor group includes GMO, Greylock Capital, Fidelity Management & Research Co. LLC, Fidera, HBK Capital Management, Mangart

Capital, Morgan Stanley Investment Management, T. Rowe Price Associates Inc., and VR Advisory Services Ltd.



According to Amore, Venezuela's future debt restructuring could also introduce the concept of super senior sovereign bonds. This would come about due to Venezuela's expected new-money need to fund budget deficits and oil sector capex. Existing bondholders participating in new money investment could see their existing exposure receive preferential treatment to that of non-participating bondholders.

However, debt restructuring negotiations are still a distant prospect and Venezuela needs to achieve several major milestones before concrete talks can commence, Amore cautioned.

"First you need political stability and a political deal that will last," he said. "That could be elections, but it's all up in the air at the moment. Then sanctions need to go and the financial

system has to be reintroduced to the Western system, including SWIFT. Then you can begin to rebuild the economy and start restructuring negotiations.”

Amore acknowledged that these hurdles could take years to overcome, but stressed that the market is currently signalling a belief that it will happen after years of deadlock. He said America’s recent intervention to capture Maduro has created new momentum and expects U.S. involvement to remain significant in the country.

“Our investment thesis has always been that the US will continue to have influence over Venezuela,” he said. “The US has bought Venezuelan oil since World War I and in today’s world it cannot be otherwise.”

In 2019, Orrick counsel Thomas Laryea, currently an advisor to the Venezuela Creditor Committee, also stressed the [need for innovation](#) to resolve Venezuela’s debt restructuring.

This publication has been prepared by Octus, Inc. or one of its affiliates (collectively, "Octus") and is being provided to the recipient in connection with a subscription to one or more Octus products. Recipient’s use of the Octus platform is subject to Octus Terms of Use or the user agreement pursuant to which the recipient has access to the platform (the “Applicable Terms”). The recipient of this publication may not redistribute or republish any portion of the information contained herein other than with Octus express written consent or in accordance with the Applicable Terms. The information in this publication is for general informational purposes only and should not be construed as legal, investment, accounting or other professional advice on any subject matter or as a substitute for such advice. The recipient of this publication must comply with all applicable laws, including laws regarding the purchase and sale of securities. Octus obtains information from a wide variety of sources, which it believes to be reliable, but Octus does not make any representation, warranty, or certification as to the materiality or public availability of the information in this publication or that such information is accurate, complete, comprehensive or fit for a particular purpose. Recipients must make their own decisions about investment strategies or securities mentioned in this publication. Octus and its officers, directors, partners and employees expressly disclaim all liability relating to or arising from actions taken or not taken based on any or all of the information contained in this publication. © 2025 Octus. All rights reserved. Octus(TM) and the Octus logo are trademarks of Octus Intelligence, Inc.