

Venezuela's Gold Dispute in UK Courts Is a Battle for Sovereignty

The official government of Venezuela has been engaged in a legal dispute with the Bank of England to regain control over gold assets worth over \$1.8 billion

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The people of Venezuela for the last several years have taken to the streets to reject sanctions, asset freezing, and coup attempts by the far-right.

"The world must know that there is no legal security in London nor in the Bank of England, because at any moment, any country can have its international reserves stolen. There is no respect for the law!" Venezuelan President Nicolás Maduro made this damning statement in a televised address on August 3 following the decision by a British high court to reject the Venezuelan state access to its gold reserves worth \$1.8 billion in the Bank of England.

Since 2019, Venezuela has had over \$7 billion in foreign assets seized by banks in North America and Europe. Many, including the Bank of England, have used the excuse that since their governments recognize (or recognized) the self-proclaimed, former member of the National Assembly, Juan Guaidó, as the legal representative of the country, they cannot hand over the money to an entity controlled by Maduro's government.

This seemingly coordinated international action coupled with the increased sanctions on Venezuela's financial transactions and oil production, deepened the economic crisis in the country that was already suffering under heavy unilateral coercive measures from the United States and its allies since 2014.

Pandemic

In May 2020, countries across the world struggled to understand and combat the coronavirus pandemic and protect their populations. Venezuela was one of a handful of governments – most of whom were socialist and progressive – that put human life before profit. It quickly pivoted to take measures to ensure the protection of its population from

COVID-19, implemented strong public health policies and public awareness campaigns to instruct people about how best to protect themselves, and as much as possible, attempted to meet the material needs of the people.

However, the seizure of over \$8 billion of its assets, in addition to the stranglehold on its central productive economic sector – the oil industry – [severely limited Venezuela's capacity](#) to respond. It decided to take critical action. In May 2020, two months into the pandemic, Venezuelan government officials confirmed that its Central Bank was taking the Bank of England to court in the UK to demand that it release the \$1.8 billion (previously undervalued at under \$1 billion) in gold reserves held there.

Venezuela's permanent representative to the United Nations, Samuel Moncada, [wrote](#) on May 19, 2020,

"Venezuela files a lawsuit in British Court against Bank of England for stealing 31 tons of Venezuelan gold in its vault. Pillage is a crime of extinction by denying people crucial means to confront the worst pandemic in a century. It is a colonial war against Venezuela!"

For Venezuela, a country where the national government invests heavily in social programs and support, this gold represents food, medicine, healthcare, [housing](#), and jobs for the Venezuelan people.

In making its case, the Central Bank of Venezuela, went to extra lengths to ensure that the decision over its gold did not fall victim to a political decision and reached a deal with the United Nations Development Program (UNDP) for the direct transfer of a portion of those assets to the UNDP to purchase crucial food and medicine for Venezuela.

Legal dispute

The Bank's agreement with UNDP and its suit, were [rejected by the UK court](#). John McEvoy, an investigative journalist with *Declassified UK* told *Peoples Dispatch* that "the Foreign Office specifically responded by saying that the UK government explicitly recognizes Juan Guaidó as the President of Venezuela and based on...the "one voice" doctrine in the UK...if the executive or the government recognizes Juan Guaidó, then the judiciary has to follow suit by also recognizing Juan Guaidó."

In an [appeal](#) to this decision, Venezuela argued that this recognition was not so unequivocal. The Commercial Court agreed and ruled that the government's recognition was "ambiguous" as the UK still relies on the Bolivarian government for all diplomatic activities between the two countries.

However, in the latest hearing on the case, on July 29, the High Court held up the initial ruling that the "one voice" doctrine must be maintained and that they could not hand Venezuela its assets. McEvoy explained "Long story short, the UK government in 2019, decided to recognize Juan Guaidó who never ran the presidential office, who had never received the vote in a presidential election...Three years down the line, we're still going through a legal battle and it looks like Guaidó will eventually receive custody of these Venezuelan state assets."

Breaking: The UK High Court has ruled in favour of the Juan Guaidó board in

the Venezuelan gold case

Venezuela's highest court (STJ) quashed Guaidó's appointment of an "ad-hoc board" to the Central Bank of Venezuela, but the UK court ruled that STJ judgments cannot be recognised <https://t.co/t0vX5sQ19x>

— John McEvoy (@jmcevoy_2) [July 29, 2022](#)

Junior partners in US imperialism

The [dispute](#) over Venezuela's gold is much more than a legal battle. For the investigative journalist McEvoy, it is "fundamentally a political case." He detailed that the UK's decision originally to recognize Guaidó as the president of Venezuela and to freeze the gold in the Bank of England was taken under instruction of the US government.

In the days following Guaidó's self-declaration on January 23, 2019, the UK Foreign Secretary Jeremy Hunt was in Washington DC where he met with John Bolton and Mike Pompeo. McEvoy explained that while the documentation of these discussions has been kept private by the Foreign Office, in Bolton's tell-all book *The Room Where it Happened*, he details Hunt's visit and said that while he was in Washington he said he would be delighted to comply with the US sanctions measures by freezing Venezuela's gold.

For McEvoy, the political goal was clear: "to suffocate the Venezuelan economy and to create sufficient domestic pressures so that the Venezuelan people would overthrow the Venezuelan government without any more kind of dirty, direct measures to have to be involved."

An "embarrassment"

"[I]f the British government drops its recognition of Guaidó, at any point, the case dissipates, the case is over. This case can only exist based on the political decision to recognize Juan Guaidó. And that's why we're in the situation that we are at the moment," McEvoy emphasized.

Britain is one of the last remaining governments to continue to recognize Guaidó. Since his "swearing in" on January 23, 2019, Guaidó has mostly been in the news for corruption allegations and running several large companies he took control over into bankruptcy. He also no longer holds a seat in the National Assembly, which was his "legal" basis for claiming the interim presidency. Most of the far-right parties which constitute his base of support, [engaged in dialogue](#) with Venezuela's constitutional government in [Mexico](#) in September 2021 and reached an important [agreement](#) to participate in [local elections](#) after having boycotted all electoral processes for six years. These elections were also [observed](#) by the European Union for the first time since 2015.

Many of the over 50 countries which had initially recognized Guaidó, such as the [European Union member states](#) and many [countries in Latin America](#), have since resumed normal relations with the Bolivarian government. One of the latest to resume relations was the US government which sent a high-level diplomatic delegation to Venezuela to meet with the government of Nicolás Maduro. The center point of their dialogues was around their commercial relationship around oil. These talks began just a month after the war in Ukraine broke out which prompted the US and its allies to sanction and boycott Russian energy.

Once again the British government has backed itself into a corner following US political orientations. The country not only is suffering from one of the worst energy and cost of living crises in its history following the loss of its major fuel supplier, Russia, but its continued recognition of Guaidó against the global tide puts it in “an incredibly embarrassing position”.

For McEvoy, this move could have unexpected repercussions for the UK and the Bank of England because “other governments will be looking to England thinking ‘if we cease diplomatic relations with Britain, if we pursue a path of economic and social development that is contrary to what Britain wants us to do, then we might that our state assets become frozen in the Bank of England.’ So we might see a rush of state assets leaving Britain basically based on this decision.”

Financing an illusion

If the Venezuelan government loses its lawsuit in the UK, the question remains of what will happen to its \$1.8 billion in gold.

Guaidó set up an ad-hoc board to the Central Bank of Venezuela to serve as the “interim” governing body over the bank, parallel to the Bank’s official board. In the case of a final ruling against the Central Bank of Venezuela, this parallel entity would ultimately receive the funds. However, since Guaidó still is not managing actual institutions in Venezuela, where would these state assets go?

After the US government officially recognized Guaidó, they also authorized the transfer of all Venezuelan state assets and funds to Guaidó and his parallel government. According to John McEvoy, “Guaidó’s parallel government has been using these hundreds of millions of dollars of Venezuelan state funds to sustain its own parallel fictitious government. It’s pouring tens if not hundreds of millions into a so-called foreign ministry. Guaidó is paying himself out of these funds and millions of dollars, it seems, based on the accounts.”

McEvoy added that this money has also been used to pay for legal representation in the case in the UK so that he can take even more state funds from Venezuela.

While he has been delegitimized, meme-ified, and rejected by most of the opposition in Venezuela, Guaidó still holds on to his (and the US government’s) political goal to overthrow the government of Nicolás Maduro. To achieve this goal, Guaidó has already staged a border crisis, attempted a military coup, made a multi-million dollar mercenary agreement in order to assassinate Maduro, and given undeterred support to [criminal sanctions](#) against Venezuela which have already cost the lives of over 100,000 people. These are costly endeavors and as McEvoy points out, “If Guaidó gets his hands on the 2 billion worth of gold held in the Bank of England, the UK is going to bear some, and I would say significant, responsibility for what happens next.”

In the meantime, for the Bolivarian government and the people of Venezuela, the struggle continues. On Tuesday August 9, a massive mobilization was held in Caracas to demand that the assets and property of the Venezuelan people blocked internationally be returned, specifically Venezuela’s gold in London.

President Nicolás Maduro wrote “The Venezuelan people took to the streets to give a strong message to the world: we demand the return of our gold taken hostage in London, the

Conviassa airplane, and the other national assets that they are trying to steal from us. No more abuse! We will not stop raising our voices!"

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