

The Bank of England Has Refused to Return to Venezuela Its Gold Held by the Bank for 'Safe Keeping'

written by GEG | November 9, 2018



US sanctions targeted at blocking Venezuela from using its gold as collateral to finance its operations prompted President Maduro to seek repatriation of his country's 14 tons of gold, valued at \$550 million, from the Bank of England (BOE). However, the BOE has refused to release the precious metal, citing money laundering rules and the bank's fear that Maduro will seize the gold, which is owned by the state, and sell it for personal gain. The BOE's denial of Maduro's request to return Venezuela's property shows that if you don't hold it, you don't own it. Over 30 nations have gold holdings in BOE vaults.

No gold for you! The Bank of England has refused to give Venezuela its gold back. Wait until you read the reason why...

Earlier in the week **I reported on Venezuela's request to repatriate its 14 tons of gold** held in Bank of England vaults.

We have an update to that request, from **The Times** (bold added for emphasis):

President Maduro of Venezuela is trying to repatriate at least 14 tonnes of gold held at the Bank of England, fearing that access could be frozen under US sanctions against his regime.

The Bank has refused to release the gold bars, worth about £420 million, according to sources. British officials are understood to have insisted that standard measures to prevent money-laundering be taken – including clarification of the Venezuelan government's intentions for the gold.

There are concerns that Mr Maduro may seize the gold, which is owned by the state, and sell it for personal gain.

So there you have it. Nicolas Maduro, according to the Bank of England, “may seize the gold...and sell it for personal gain”.

Rant on –

Because corrupt people in positions of power in the US and the UK have never done anything for personal gain...

– Rant off

What do we know that Venezuela has done with at least some of its gold?

We know that Venezuela has used its gold as a sanctions work-around to purchase food from Turkey as Venezuela struggles with hyperinflation, and even worse, outright starvation. Now I get it – some people have said, “But Half Dollar, that food goes to the corrupt elite of Maduro's inner circle, and then it barely works its way down the totem pole”.

That is a valid point, but I would ask this: Even if only some of the food bought from Turkey with gold made it to the Venezuelan people at street level, wouldn't that be a good thing?

There is another, perhaps more important point here too: If you don't hold it, you don't own it.

What if some other country, for whatever reason, has some gold “held” in BOE vaults, but said country gets on the West's “bad” list because they get hemmed-up doing business with Venezuela, or Iran, or some other nation subject to US imposed sanctions? Wouldn't other nations wonder whether they could get their gold back from BOE vaults, and if so, wouldn't nations that have their gold held in BOE vaults want to preemptively repatriate their gold?

You see, over 30 nations have gold holdings in BOE vaults

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