

UK government backs Guaido in Venezuela gold dispute

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The UK's top court is determining whether gold held by the Bank of England should be released to Nicholas Maduro, or if opposition leader Juan Guaido is the rightful leader of Venezuela [File: Ariana Cubillos/AP Photo]

London, July 20 (RHC)-- The British government has sought to quash a bid by the Venezuelan Central Bank to repatriate nearly \$1 billion of its gold stored in London by reasserting its backing of opposition leader Juan Guaido.

In an unequivocal statement, the United Kingdom's government said it is "clear that Juan Guaido has been recognised by Her Majesty's Government since February 2019 as the only legitimate President of Venezuela."

The statement came as legal teams representing Maduro and Guaido were at the UK Supreme Court on Monday in the latest round of a long-running struggle over who should control what amounts to roughly 15 percent of Venezuela's foreign currency reserves. The Bank of England currently holds the 14 tonnes of gold.

Central to the standoff is the question of which person London considers the rightful leader of Venezuela. A lower court had previously said the UK's years-old recognition of Guaido was "ambiguous."

In the statement on Monday, the British government, which had been invited to clarify its position by the UK Supreme Court, asserted it has the right to decide who to recognise as the legitimate head of a foreign state."

Maduro has demanded access to the gold to help the cash-starved nation fight the coronavirus pandemic. Lawyers representing him have argued that he is still president of Venezuela and that the UK has recognised this by continuing diplomatic relations with his government.

Guaido, who was the leader of Venezuela's National Assembly before challenging Maduro's claim to the presidency in 2018 amid claims of election fraud, has sought to preserve the gold stash at the Bank of England to keep it out of the hands of the Maduro government.

While the stark statement from London appeared to be a coup for Guaido, lawyers for Maduro argued it instead strengthened their case. "Traditional recognition statements have been recognition statements in relation to governments. There is no recognition statement, in this case, in relation to governments," said Queen's Counsel barrister Nick Vineall, who is representing the Maduro-supported central bank. "That means that the position remains that Mr Maduro is in effective control in Venezuela."

Guaido claimed to be the country's interim president under provisions of the constitution that allow the head of the legislature to take power until free elections can be held.

Countries including the United States and the UK have since recognised Guaido as the legitimate president of Venezuela, although China, Russia and many others have not and Maduro, who has been the subject of a raft of international sanctions, holds effective power within Venezuela.

The U.S. has since sanctioned the Central Bank of Venezuela, alleging Maduro was using it to "plunder" Venezuelan assets to "enrich corrupt insiders."

Meanwhile, the European Union, which the UK formally left at the start of the year, said it could no longer legally recognise Guaido as Venezuela's president after he lost his position as head of parliament following legislative elections in December, even though the EU did not recognise that vote as legitimate.



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