

CLIENT ALERT

Syria's Time to Shine: The United States Issues Significant (but Incomplete) Sanctions Relief

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Five months after the fall of the Assad regime in Syria, sanctions relief for Syria has taken a major step forward. On May 13, President Trump announced a sudden end to U.S. sanctions targeting Syria, stating that, “[n]ow it’s [Syria’s] time to shine . . . we’re taking [U.S. sanctions] all off.”¹ This relief follows similar sanctions relief announced by the EU and UK earlier this year. While significant trade restrictions related to Syria remain in place, these changes significantly ease restrictions preventing Syria from rebuilding following the end of the Assad regime. In this client alert, we detail the sanctions relief granted to Syria, identify measures that remain in place, and flag other factors clients should consider when evaluating transactions related to Syria going forward.

¹ Trump to Lift Sanctions on Syria, Touts Deals in Middle East Tour, Wall Street Journal (May 13, 2025), <https://www.wsj.com/world/middle-east/trump-kicks-off-middle-east-swing-built-around-deals-50fdf84b>.

1. U.S. Sanctions Relief

On May 23, 2025, the Office of Foreign Assets Control (“**OFAC**”) issued Syria General License (“**GL**”) 25 “to provide immediate sanctions relief for Syria in line with the President’s announcement for the cessation of all sanctions on Syria.”² GL 25 provides for three specific relief measures to effectuate the President’s announcement:

1. All transactions prohibited by the Syrian Sanctions Regulations (“**SySR**”), other than transactions involving blocked persons (e.g., the provision of services to Syria);
2. All transactions with the Government of Syria;³ and
3. All transactions with blocked persons identified in GL 25, including many state-owned companies and significant Syrian banks.⁴

These relief measures authorize transactions that would otherwise be prohibited under the U.S. economic sanctions on Syria, including new investment in Syria; the provision of financial and other services to Syria; and transactions related to Syrian-origin petroleum or petroleum products.⁵ The Department of State and the Financial Crimes Enforcement Network (“**FinCEN**”) took concurrent actions to effectuate sanctions relief.⁶

2. Continued Restrictive Measures

Although meaningful, GL 25 falls short of providing complete sanctions relief for Syria. GL 25 does not unblock any property, even for the Government of Syria or listed persons, meaning that any blocked assets will remain blocked without additional relief. GL 25 also does not authorize transactions with any blocked persons in Syria except those specifically identified by the license. More than 600 individuals and entities remain blocked, so while GL 25 authorizes transactions with 28 key individuals and entities in Syria, screening will remain key to abiding by the terms of the license. Finally, GL 25 does not authorize any transactions for, or on behalf of, the governments of Iran, Russia, and North Korea, nor any transactions related to the transfer or provision of goods, technology, software, funds, financing, or services to or from Iran, Russia, or North Korea. While the restrictions related to Iran and North Korea are within the scope of sanctions targeting both countries, the Russia-related restrictions go

² Treasury Issues Immediate Sanctions Relief for Syria, OFAC (May 23, 2025), <https://home.treasury.gov/news/press-releases/sb0148>.

³ In addition to the SySR, the GL authorizes transactions with the Government of Syria prohibited by the Weapons of Mass Destruction Sanctions Regulations, the Iranian Financial Sanctions Regulations, the Global Terrorism Sanctions Regulations, the Foreign Terrorist Organizations Sanctions Regulations, and Executive Order 13574 (implementing the Iran Sanctions Act of 1996). The Assad regime’s collaboration with Iran and terror groups, and the prior actions of the present Government of Syria, led to the imposition of sanctions across many programs for the Government of Syria and persons identified by GL 25.

⁴ See *id.* General License 25, OFAC (May 23, 2025), <https://ofac.treasury.gov/media/934306/download?inline>.

⁵ Treasury Issues Immediate Sanctions Relief for Syria, OFAC (May 23, 2025), <https://home.treasury.gov/news/press-releases/sb0148>.

⁶ Specifically, the Department of State concurrently issued a waiver related to mandatory sanctions under the Caesar Syria Civilian Protection Act to enable foreign persons to engage in transactions in Syria without the threat of secondary sanctions from the United States. Providing Sanctions Relief for the Syrian People, Dept. of State (May 23, 2025), <https://www.state.gov/releases/office-of-the-spokesperson/2025/05/providing-sanctions-relief-for-the-syrian-people/>. FinCEN issued an exception to Section 311 of the USA PATRIOT Act, enabling financial institutions to open and maintain correspondent accounts for the Commercial Bank of Syria. Exception to Prohibition Imposed by Section 311 of the USA PATRIOT Act against the Commercial Bank of Syria, FinCEN (May 23, 2025), <https://www.fincen.gov/sites/default/files/shared/Commercial-Bank-of-Syria-Exemptive-Relief.pdf>.

beyond the scope of current Russia-related sanctions and represent a unique restriction to the GL to bear in mind when engaging in Syria.

Importantly, U.S. export control restrictions also remain in place for now. The United States has implemented its ban on the export of goods to Syria via export controls, meaning that these restrictions will continue absent additional relief from the Department of Commerce's Bureau of Industry and Security ("BIS").⁷ Moreover, export license requests remain subject to a presumption of denial by BIS. Therefore, U.S. persons may invest in Syria, provide services to Syria, and import Syrian goods and services (including petroleum), but all persons must still refrain from exporting items subject to the Export Administration Regulations to Syria without an applicable license or license exception from BIS. That being said, if and when BIS eases the export controls, an existing OFAC general license will authorize U.S. persons to provide services that are ordinarily incident to the exportation (or reexportation) of items to Syria, or of services to install, repair, or replace such items.⁸

3. Other Key Considerations Going Forward

Syria-related sanctions are the product of decades of legislative and executive action. While GL 25 represents significant sanctions relief for Syria, GL 25 does not address all of these restrictions, including those noted in this alert. The Trump Administration has previously revoked GLs with minimal notice regarding the Maduro regime in Venezuela, and could take similar action here depending on the actions of the new Government of Syria. As OFAC noted in its press release announcing GL 25, "U.S. sanctions relief has been extended to the new Syrian government with the understanding that the country will not offer a safe haven for terrorist organizations and will ensure the security of its religious and ethnic minorities. The U.S. will continue monitoring Syria's progress and developments on the ground."⁹ If the new Government of Syria fails to make progress on these issues, it is possible that sanctions relief could be rolled back, similar to the Trump Administration's approach to the Maduro regime. Persons seeking to engage in Syria should account for this, including by providing for termination in the case that U.S. sanctions no longer authorize the relevant activities in any Syria-related agreements.

Moreover, because sanctions relief was issued as a GL instead of a declared end to the national emergency related to Syria or by delisting specified persons, individuals or entities that seek to engage in Syria will need to carefully consider any representations or warranties related to their compliance with U.S. sanctions. For instance, although GL 25 permits transactions with the Government of Syria, it remains blocked, meaning that companies may represent that they comply with U.S. sanctions, but not that they do not engage in transactions with blocked persons.

Furthermore, clients should be aware of warranties they have made in various agreements. Many such warranty agreements will require them to avoid transactions in Syria, while others will only prohibit such activity when in violation of sanctions or to the extent Syria remains an embargoed country. Such commitments should be carefully examined before clients move forward with any business arrangements in or involving Syria.

⁷ See 15 CFR 746.9.

⁸ See 31 CFR 542.510.

⁹ Treasury Issues Immediate Sanctions Relief for Syria, OFAC (May 23, 2025), <https://home.treasury.gov/news/press-releases/sb0148>.

GL 25 offers a substantial opportunity for Syria to seize its “time to shine,” but U.S. sanctions and export controls related to Syria remain a ways away from “all off.”

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