

## **CLIENT ALERT**

# A New Era: United States Lifts Comprehensive Sanctions on Syria

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On June 30, 2025, President Trump signed an Executive Order ("**E.O.**") lifting the comprehensive, territorial sanctions targeting Syria that had been in place for decades. The order followed his May 13 announcement that the United States would be removing all sanctions to give the Syrian people "a chance at greatness."<sup>1</sup>

Initially, the U.S. Treasury Department's Office of Foreign Assets Control ("**OFAC**") issued General License ("**GL**") 25 on May 23, authorizing many activities previously restricted under the Syrian Sanctions Regulations ("**SySR**").<sup>2</sup> In our <u>client alert</u> on GL 25, we noted that this relief was significant, but incomplete, as many sanctions-related measures targeting Syria were implemented by agencies besides OFAC. The June 30 E.O. signals permanence to the sanctions relief announced by President Trump and does reduce the risks to foreign companies doing business in Syria, but still leaves a number of U.S. restrictions on activity in the country, including targeted sanctions

Executive Order "Providing for the Revocation of Syria Sanctions" (June 30, 2025), https://ofac.treasury.gov/media/934411/download?inline; Fact Sheet: President Donald J. Trump Provides for the Revocation of Syria Sanctions, White House (June 30, 2025), https://www.whitehouse.gov/fact-sheets/2025/06/fact-sheet-president-donald-j-trump-provides-for-the-revocation-of-syria-sanctions/.

Syria General License 25, OFAC (May 23, 2025), <a href="https://ofac.treasury.gov/media/934306/download?inline">https://ofac.treasury.gov/media/934306/download?inline</a>.

on some Syrian individuals and entities and a general prohibition on the export of goods to Syria administered by the Bureau of Industry and Security ("BIS").<sup>3</sup>

#### A. Lifting Restrictions on U.S. Persons

The June 30 E.O. cements the sanctions relief provided by GL 25 by terminating the underlying national emergency authorizing the SySR. Sanctions targeting Syria, as implemented through the SySR, were predicated on a national emergency declared in 2004 in response to the actions of the Assad regime in Syria.<sup>4</sup> More than 500 individuals and entities ("persons") in Syria were designated pursuant to this authority, which also prohibited new investment in Syria, the provision of services to Syria, and the importation of petroleum or petroleum products of Syrian origin.<sup>5</sup> In short, the Syria sanctions prohibited practically all commercial activity by U.S. persons, directly or indirectly, in Syria, absent a license from OFAC.

Following the termination of the national emergency, these restrictions are no longer in effect.<sup>6</sup> OFAC has revoked the SySR, meaning that GL 25 is no longer necessary to engage in authorized transactions.<sup>7</sup>

### B. Removing the Threat of Secondary Sanctions against Foreign Companies in Syria

President Trump also previewed the removal of the threat of sanctions against foreign companies doing business with the Government of Syria. The June 30 E.O. directs the Secretary of State to determine whether to suspend sanctions required by the Caesar Act.<sup>8</sup> The Caesar Act requires the President to impose sanctions on the Government of Syria and various persons that provide support to the Government of Syria.<sup>9</sup> OFAC delisted ten persons designated under the Caesar Act on June 30; however, 16 persons designated under the Caesar Act continue to be sanctioned under the new Assad-related sanctions program described below.<sup>10</sup> The State Department previously granted relief for Caesar Act-related sanctions on May 23, 2025,<sup>11</sup> but the suspension that President Trump instructed the State Department to consider granting (and which we presume the State Department

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See 15 CFR 746.9.

<sup>&</sup>lt;sup>4</sup> E.O. 13338 (May 11, 2004), <a href="https://www.federalregister.gov/documents/2004/05/13/04-11058/blocking-property-of-certain-persons-and-prohibiting-the-export-of-certain-goods-to-syria">https://www.federalregister.gov/documents/2004/05/13/04-11058/blocking-property-of-certain-persons-and-prohibiting-the-export-of-certain-goods-to-syria</a>.

<sup>&</sup>lt;sup>5</sup> ld.

See Executive Order "Providing for the Revocation of Syria Sanctions," Sec. 3 (June 30, 2025), https://ofac.treasury.gov/media/934411/download?inline.

See Treasury Implements President's Termination of Syria Sanctions, OFAC (June 30, 2025), <a href="https://home.treasury.gov/news/press-releases/sb0183">https://home.treasury.gov/news/press-releases/sb0183</a>.

See Executive Order "Providing for the Revocation of Syria Sanctions" Sec. 5 (June 30, 2025), https://ofac.treasury.gov/media/934411/download?inline.

<sup>9</sup> See 22 USC 8791 note.

See Revocation of Syria Sanctions; Publication of Syria Frequently Asked Questions; Syria and Syria-related Designation Updates and Removals, OFAC (June 30, 2025), https://ofac.treasury.gov/recent-actions/20250630.

<sup>11</sup> Caesar Act Waiver Certification, Dept. of State (May 23, 2025), https://www.state.gov/caesar-act-waiver-certification/.

will, in fact, grant) would extend this action for successive 180-day periods for as long as the Caesar Act remains in effect.

### C. Remaining Restrictions

While the June 30 E.O. offers substantial sanctions relief to Syria, the Trump Administration has maintained a number of sanctions related to the former Assad regime, necessitating careful diligence for any activities involving Syria.

The June 30 E.O. permits the relaxation of export controls imposed by the Syria Accountability Act on the export of U.S.-origin goods to Syria. The Syria Accountability Act requires the President to impose various restrictions on the export of U.S.-origin items to Syria. BIS has implemented these requirements in the Export Administration Regulations ("EAR"), which prohibit the export of all products of the United States except food and medicine to Syria. The EAR restrictions apply to U.S.-origin goods and certain foreign goods incorporating U.S.-origin products or technologies (*i.e.*, goods "subject to the EAR"). Although the EAR provided limited authorization in the form of general licenses for journalistic activities and personal items, among other things, license requests for exports to Syria are subject to a general policy of denial. The Syria Accountability Act authorizes the President to waive these restrictions if it is in the national security interest of the United States. The June 30 E.O. waives these restrictions and directs the Secretary of State to submit the necessary reports to Congress as required by the Syria Accountability Act. However, BIS must amend the EAR to remove these restrictions, which the June 30 E.O. authorizes it to do (but it has not yet done). As noted in our prior client alert, this export ban remained one of the most significant Syria-related trade restrictions in place following the sanctions relief issued in May. Moreover, while Syria remains designated as a State Sponsor of Terrorism, U.S. persons are prohibited from exporting munitions items to Syria. Fig. 1.

In addition, numerous persons in Syria remain the subject of targeted sanctions, which broadly prohibit U.S. persons from engaging (directly or indirectly) in any transactions in which they have an interest. The June 30 E.O. renames the Syria-Related Sanctions Regulations (separate from the SySR) to the Promoting Accountability for Assad and Regional Stabilization Sanction ("PAARSS") program, leaving in place sanctions that target Assad and his supporters.<sup>17</sup> The former Syria-Related Sanctions Regulations were established under E.O. 13894 in response to a military incursion by the Government of Turkey into Syria.<sup>18</sup> The June 30 E.O. expands the national emergency

<sup>&</sup>lt;sup>12</sup> See 22 USC 2151 note; 15 CFR 746.9.

<sup>&</sup>lt;sup>13</sup> 15 CFR 746.9.

<sup>14</sup> Id.

See Executive Order "Providing for the Revocation of Syria Sanctions" Sec. 6 (June 30, 2025), https://ofac.treasury.gov/media/934411/download?inline.

<sup>&</sup>lt;sup>16</sup> See 22 USC 2780.

See Executive Order "Providing for the Revocation of Syria Sanctions" Sec. 4 (June 30, 2025), https://ofac.treasury.gov/media/934411/download?inline.

E.O. 13894 (Oct. 14, 2019), <a href="https://ofac.treasury.gov/media/25986/download?inline">https://ofac.treasury.gov/media/25986/download?inline</a>.

declared in E.O. 13894 to authorize sanctions targeting the Assad regime and its supporters.<sup>19</sup> The same day, OFAC designated a number of persons formerly designated under the SySR under PAARSS.<sup>20</sup> Following the June 30 E.O., 174 persons continue to be designated under PAARSS. Although the June 30 E.O. eliminates the geographic restrictions related to Syria, a substantial number of persons in Syria continue to be targeted under PAARSS and other sanctions programs, emphasizing the need for careful diligence when conducting business in Syria going forward.

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Through the June 30 E.O., the Trump Administration is offering Syria its promised "chance at greatness." Barring sanctions targeting specific persons, the June 30 E.O. offers more permanent sanctions relief to Syria and signals the Administration's intent to continue easing barriers to Syria. Events on the ground in Syria, however, will determine whether long-term business in Syria becomes viable. The Administration retains broad discretion to reimpose sanctions at any time. As we saw with the ebb and flow of sanctions on Burma, the elimination of a national emergency does not guarantee permanent economic relationships.

If you have any questions regarding this client alert, please contact the following attorneys or the Willkie attorney with whom you regularly work.

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See Executive Order "Providing for the Revocation of Syria Sanctions" Sec. 4 (June 30, 2025), https://ofac.treasury.gov/media/934411/download?inline.

See Revocation of Syria Sanctions; Publication of Syria Frequently Asked Questions; Syria and Syria-related Designation Updates and Removals, OFAC (June 30, 2025), <a href="https://ofac.treasury.gov/recent-actions/20250630">https://ofac.treasury.gov/recent-actions/20250630</a>.