

# Report from Washington

## U.S. Lifts Syria Sanctions, Strings Attached

August 26, 2025

The United States Department of the Treasury's Office of Foreign Assets Control ("OFAC") issued a final rule, effective August 26, 2025, removing the Syrian Sanctions Regulations ("SySR"), which had imposed comprehensive U.S. economic sanctions on Syria. Some U.S. sanctions related to Syria remain in place, including certain list-based designations, and exports of U.S. items to Syria are still generally prohibited.

The formal removal of the SySR follows the Trump administration's June 30, 2025 issuance of Executive Order ("E.O.") 14312, revoking a series of E.O.s that served as the foundation of the SySR. As a result of the termination of the national emergency and the sanctions program established by these E.O.s, OFAC issued a final rule on August 25, 2026 removing the SySR from the U.S. federal regulations.

Practically speaking, removal of the SySR puts the nail in the coffin of the U.S. government's comprehensive sanctions against Syria, supplementing U.S. actions in previous weeks that had already provided broad relief from OFAC's sanctions on Syria. These U.S. actions, listed below, are still in effect:

- OFAC Syria [General License 24](#) and [General License 25](#), issued earlier this year, are still in effect and authorize certain Syria-related conduct otherwise prohibited by sanctions programs other than the SySR, including the Global Terrorism Sanctions Regulations and the Foreign Terrorist Organizations Sanctions Regulations.
- A Department of State 180-day [waiver](#) of sanctions restrictions imposed by Section 7412 of the Caesar Syria Civil Protection Act of 2019 (the "Caesar Act")<sup>1</sup> remains in place. The Caesar Act imposes, among other things, mandatory sanctions on foreign persons who enabled the Asad regime and profited from the Syrian Civil War. The waiver applies to transactions previously prohibited by the SySR but does not extend to blocked persons other than (1) persons linked to the former Assad regime included in an Annex to General License 25<sup>2</sup>, (2) those 50% or more owned by persons listed in the Annex, and (3) the Government of Syria as in existence on or after May 13, 2025.

<sup>1</sup> 22 U.S.C. 8791 note.

<sup>2</sup> The Annex includes President Ahmed al-Sharaa (listed in this Annex under his *nom de guerre* Abu Muhammad Al-Jawlani), the Central Bank of Syria, the Commercial Bank of Syria, and certain persons related to the Syrian energy and oil industries.

- Exeptive relief issued on May 23, 2025 by the Department of the Treasury’s Financial Crimes Enforcement Network (“FinCEN”) remains in place, permitting covered financial institutions<sup>3</sup> to open and maintain correspondent accounts in the U.S. for the Commercial Bank of Syria.<sup>4</sup> Additionally, June 4, 2025 FinCEN guidance remains in effect encouraging U.S. institutions to take a risk-based approach to transactions with Syria touchpoints and to apply enhanced scrutiny for certain types of accounts.<sup>5</sup>

The removal of the SySR, together with the other relief described above, opens the door for U.S. persons to engage in most previously-prohibited transactions involving Syria and Syrian persons. However, companies should remain cautious, as the following restrictions remain in place:

- Many Persons With Ties to Syria Remain Sanctioned. Many persons and entities linked to the Assad regime remain blocked by OFAC sanctions, and sanctions related to counterterrorism, the proliferation of weapons of mass destruction, as well as other sanctions programs, are still in effect in Syria. Additionally, certain Syrian persons previously designated under now revoked E.O.s have been redesignated under E.O. 13894 (Blocking Property and Suspending Entry of Certain Persons Contributing to the Situation in Syria), as amended. The property or interests in property of these persons (or persons that are owned 50% or more in the aggregate by any one or more such persons) remain blocked and, absent authorization, U.S. persons are generally prohibited from dealing with such persons.
- Export Controls Related to Syria Remain in Place. Despite the relief announced by OFAC and the Department of State, the Department of Commerce’s Bureau of Industry and Security’s (“BIS”) restrictions against Syria remain in place. Therefore, nearly all exports of U.S. items to Syria, including items classified as EAR99 (except for food and medicine) are prohibited without a license, license exception, or license exemption. Moreover, BIS continues to have a general policy of denial for exports to Syria. In sum, most exports and re-exports to Syria of U.S. goods continue to require a license subject to a presumption of denial.
- Certain Terrorism-Related Designations Remain. Syria remains listed by the United States as a State Sponsor of Terrorism, which imposes export controls and restrictions on U.S. foreign assistance and strips the country of sovereign immunity in certain respects within U.S. courts. Hay’at Tahrir al-Sham (“HTS”), the group formerly led by the Interim President Ahmed al-Sharaa, remains designated as a terrorist

<sup>3</sup> “Covered financial institutions” is defined in 31 C.F.R. 1010.653(a)(3).

<sup>4</sup> FinCEN notes that the exeptive relief does not waive or alter the due diligence obligations for covered financial institutions set under Section 312 of the USA PATRIOT Act and implementing regulation 31 C.F.R. 1010.610.

<sup>5</sup> The guidance rescinded by FinCEN were: “[Updated Advisory to Financial Institutions on Recent Events in Syria](#),” April 15, 2013, “[Guidance to Financial Institutions on the Commercial Bank of Syria](#),” August 10, 2011, and “[Guidance to Financial Institutions on Recent Events in Syria](#),” July 8, 2011.

organization by the United States, the United Nations,<sup>6</sup> and the European Union.<sup>7</sup> It remains unclear whether there will be further actions to delist HTS or waive or suspend any associated restrictions.

- **No Relief for Allies of the Former Assad Regime.** The recent Syria sanctions relief largely leaves in-place restrictions imposed by the U.S. and certain of its allies related to Russia, Iran, and North Korea. For instance, U.S. sanctions relief under General License 25 or the removal of the SySR do not authorize transactions for or on behalf of the governments of Russia, Iran, or North Korea nor related to the transfer or provision of goods, technology, software, funds, financing, or services to or from those countries.

In parallel, in June 2025, the European Union and United Kingdom announced relief of sanctions imposed on Syria, complimenting U.S. sanctions relief. However, a deterioration in the political or human rights situation in Syria could result in a return to the previous sanctions regimes. Companies should therefore continue to monitor Syria-related developments, as shifts on-the-ground could impact the scope of continued sanctions relief.

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<sup>6</sup> See UN Security Council Resolution 2254.

<sup>7</sup> [Regulation \(EC\) No 881/2002](#).