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U.S. Lifts Most Sanctions on Syria, While Compliance Challenges Remain

Gibson Dunn analyzes the sweeping changes that the Trump administration has made to decades-long sanctions and export control measures targeting Syria, highlighting areas where regulatory flexibility may permit renewed engagement and noting areas of continued compliance risk.

I. Executive Summary

On June 30, 2025, President Trump issued [Executive Order 14312](#) (E.O. 14312 or E.O.) that provides broad sanctions relief to Syria. The E.O. revokes the Syrian Sanctions Regulations (SySR) promulgated by the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC), allows the U.S. Department of Commerce's Bureau of Industry and Security (BIS) to waive certain export controls, and sets in motion a process to remove Syria from the U.S. Department of State's State Sponsors of Terrorism (SST) list, among other actions.

The E.O. builds upon the sanctions relief already provided in May 2025 by [OFAC's General License \(G.L.\) 25](#), including by lifting blocking sanctions on over 500 Syria-related individuals and entities, many of which are key players in Syria's economy. Although the E.O. does not automatically lift the Syrian embargo affecting the exportation of U.S. goods implemented by BIS at [15 C.F.R. § 746.9](#), it will allow BIS to revoke or substantially alter those restrictions. The E.O. also directs the Secretary of State to "take all appropriate action" to review Syria's designation as an SST and to examine whether the criteria for suspending secondary sanctions—which are

measures that target non-U.S. persons for engaging in certain specified activities involving Syria—required under the [Caesar Syria Civilian Protection Act of 2019](#) (Caesar Act) have been met. The E.O. notes that “initial steps” had already been taken on May 23, 2025, when the U.S. Department of State issued a [Caesar Act Waiver Certification](#), suspending certain statutory secondary sanctions for 180 days. Ultimately, the E.O. replaces comprehensive sanctions against Syria with a more targeted, list-based program focused on the prior Assad regime, its enablers, and actors continuing to operate contrary to U.S. foreign policy and national security interests.

The package of measures announced by the Trump administration in June 2025 represents a seismic shift in U.S. policy, which throughout the country’s brutal, decade-long civil war had prohibited virtually all U.S. nexus dealings involving Syria. From a policy perspective, such broad and swift sanctions relief appears calculated to encourage foreign investment in Syria, facilitate the country’s reconstruction, and bolster the new, post-Assad government. As a result, U.S. persons and companies doing business in the United States now face lower compliance risk for exploring commercial re-engagement with Syria, especially in previously restricted sectors such as banking, telecommunications, and energy. Although export controls remain in place for now, we expect that they will soon be substantially pared back—and Syria’s designation as an SST removed. In short, Syria has been granted a meaningful opportunity to re-enter the global economy, an opening that may broaden further as the U.S. Government continues to unwind remaining restrictions.

II. Background

Syria had been subject to U.S. sanctions for over 40 years. The United States first imposed sanctions on Syria in 1979, when the U.S. Department of State designated Syria as an SST in retaliation for President Hafez al-Assad’s support for armed Palestinian groups and various factions in Lebanon’s civil war.

More than two decades later, Congress passed the [Syria Accountability and Lebanese Sovereignty Restoration Act of 2003](#) (SAA). In 2004, President George W. Bush implemented the SAA by placing a comprehensive embargo on the exportation of U.S. goods to Syria and authorized sanctions targeting persons assisting the Government of Syria in its occupation of Lebanon, support for terrorism, and chemical weapons program.

Following the Assad regime’s suppression of the country’s 2011 popular revolution, the United States expanded its sanctions regime targeting Syria. E.O. [13582](#) imposed a comprehensive ban on U.S. persons providing services to Syria, “new investment” in Syria, and transactions involving Syrian-origin petroleum and petroleum products. That order—which was revoked by President Trump in June 2025—also imposed blocking sanctions on the “Government of Syria,” including its agencies, instrumentalities and entities under its ownership or control.

During the ensuing 13 years of Syria’s civil war, the United States designated hundreds of Syria-related individuals and entities, and it enforced sanctions and export controls as a unified scheme. The Caesar Act, enacted in 2019, further tightened U.S. restrictions by authorizing the President to impose blocking sanctions and a visa ban on foreign persons determined to have

knowingly engaged in certain “significant” transactions involving Syria (so-called “secondary sanctions”).

The overthrow of the Assad regime in December 2024 by Hay’at Tahrir al-Sham (HTS) opened the possibility of sanctions relief. However, HTS’s designation as a Foreign Terrorist Organization (FTO) and Specially Designated Global Terrorist (SDGT) led the U.S. Government, at least initially, to adopt a wait-and-see approach. OFAC issued [General License 24](#) in January 2025, which provided a six-month authorization to engage in a limited set of otherwise prohibited transactions involving Syria’s post-Assad governing institutions, Syria’s energy sector, and noncommercial, personal remittances. Following President Trump’s surprise [announcement](#) in Riyadh on May 13, 2025, that the United States would lift all sanctions on Syria, OFAC on May 23, 2025, issued [General License 25](#), which authorizes “all transactions prohibited by the [SySR], other than transactions involving blocked persons,” provided certain conditions are met and subject to certain exceptions. Notably, G.L. 25 authorized dealings with certain blocked persons listed in an Annex to the license, including new Syrian President Ahmed al-Sharaa (designated to the SDN List under the name Abu Muhammad al-Jawhani). The State Department at that time issued a companion waiver of the Caesar Act’s secondary sanctions permitting non-U.S. persons to engage in the conduct described in G.L. 25 without risking U.S. sanctions exposure.

Despite providing broad sanctions relief, those initial actions did not unblock any property or de-list any persons or entities, and stringent U.S. export controls on Syria remained in place and continued to be statutorily mandated.

III. Syria Sanctions Overhaul: The End of SySR and Introduction of a Targeted Accountability Framework

Effective July 1, 2025, the United States withdrew its longstanding comprehensive sanctions framework targeting Syria and replaced it with a targeted, conduct-based sanctions program aimed at promoting accountability for the former Assad regime, transitional justice, and regional stabilization.

A. Revocation of the Syria Sanctions Regulations

Executive Order 14312 formally ends the U.S. comprehensive sanctions program targeting Syria. The order terminates the national emergency declared in E.O. 13338, which initially implemented the United States’ goods embargo on Syria required under the SAA, along with related E.O.s 13399, 13460, 13572, 13573, and 13582. The E.O. also [directs](#) the removal of the SySR from the Code of Federal Regulations, which will need to be implemented by OFAC through the issuance of a final rule.

In conjunction with the revocation of the SySR, OFAC [de-listed](#) 518 individuals and entities previously designated under the now-revoked executive orders listed above. These de-listings include:

- **All major Syrian financial institutions**, including the Central Bank of Syria;
- **Telecommunications and media firms**, including Syriatel, the Syrian Radio and Television Corporation, and al-Dunya Television;

- **Military and intelligence services**, including Syria's Army, Air Force, Navy, and Republican Guard, the Syrian General Intelligence Directorate, National Security Bureau, Air Force Intelligence Directorate, Military Intelligence Directorate, and Political Security Directorate;
- **Energy and shipping companies**, such as the Syrian General Petroleum Corporation, Syrian Company for Oil Transport, and related maritime entities; and
- **Syrian Arab Airlines** and over a dozen of its blocked aircraft.

The de-listings announced in June 2025 include parties previously designated under multiple U.S. sanctions authorities, including terrorism- and Iran-related programs. As a result, as of June 30, 2025, the number of Specially Designated Nationals (SDNs) associated with Syria has been reduced by nearly half, from approximately 660 to 305 individuals and entities. Although 305 SDNs still reflects a significant sanctions risk profile, particularly for institutions with Syria exposure, these de-listings should significantly reduce the compliance burden on companies. Importantly, General License 25 remains in effect, as its authorization extends beyond the now-revoked SySR to other sanctions programs. Therefore, U.S. persons may continue to rely on G.L. 25 to the extent it is needed to authorize dealings other than those previously prohibited solely under the now-lifted SySR.

B. Introduction of the Promoting Accountability for Assad and Regional Stabilization Sanctions Program

Concurrent with the revocation of the SySR, E.O. 14312 also modifies the existing Syria-related sanctions regime under E.O. 13894, creating a new, targeted list-based regime titled the [Promoting Accountability for Assad and Regional Stabilization Sanctions \(PAARSS\)](#). This new framework reflects a shift in U.S. sanctions policy from comprehensive, country-wide restrictions to selective designations aimed at individuals and entities whose conduct threatens Syria's democratic transition or regional stability.

Sanctions under PAARSS target persons determined by the U.S. Government to be:

- Engaged in actions or policies that threaten the peace, security, stability, or territorial integrity of Syria;
- Former Assad regime officials and their associates;
- Involved in the captagon trade or responsible for human rights abuses, including the forced disappearance of U.S. persons;
- Adult family members of such individuals; or
- Providing material support to, or acting on behalf of, designated individuals or entities.

Additionally, the new PAARSS program provides for blocking sanctions against foreign persons (and their adult family members) found to be:

- Undermining Syria's transitional government; or

- Engaged in expropriation of property in Syria for personal gain or political purposes.

To minimize the risk of bad actors such as terrorist organizations, Assad regime insiders, and the Assad regime's chief foreign enablers benefitting from U.S. sanctions relief, OFAC concurrently [re-designated](#) 139 individuals and entities under E.O. 13894 and related Iran- and terrorism-based authorities. These include members of the Assad family, select affiliates, and companies such as Cham Wings Airlines. Notably, these re-designations are narrowly focused and do not appear to capture the major Syrian financial institutions, governmental entities, and commercial enterprises removed from the SDN List.

IV. Export Controls Outlook

The E.O. waives the application of export controls mandated by the Syria Accountability and Lebanese Sovereignty Restoration Act of 2003 that are currently implemented as part of the EAR at 15 C.F.R. § 746.9. The E.O. does not automatically waive the Syrian embargo established by 15 C.F.R. § 746.9, but BIS can now rescind or modify those restrictions.

A BIS rule rescinding or modifying the Syrian embargo could happen relatively swiftly, as such a measure would likely be exempt from the traditional notice and comment rulemaking procedures of the Administrative Procedure Act (APA), due to the APA's "national security" exemption and section 1762 of the Export Control Reform Act of 2018 (ECRA). However, since ECRA requires interagency consultations on many aspects of the implementation and amendment of U.S. export controls, a final rule may yet take some weeks to finalize. Specifically, it is likely that BIS is coordinating with the Department of State to ensure its actions comport with efforts by the State Department to evaluate Syria's designation as an SST. According to public reports, such interagency consultations are underway.

The E.O. also lifts restrictions under section 307 of the Chemical and Biological Weapons Control and Warfare Elimination Act of 1991 that relate to U.S. Government foreign assistance, issuance of U.S. credit and credit guarantees, export of national security-sensitive and other goods and technology, and issuance of U.S. bank loans.

Notably, E.O. 14312 does not waive the provision of the SAA that requires an arms embargo on Syria. Further, Syria's designation as an SST also requires that the State Department maintain a [prohibition](#) on the exportation or re-exportation to Syria of items enumerated on the United States Munitions List (and a corresponding presumption of denial of an application for a license to export or reexport military items).

V. Caesar Act Waivers Issued as State Department Reviews Full Suspension Options

Executive Order 14312 also directs the Secretary of State to examine whether the criteria for suspending all secondary sanctions required under the Caesar Act are met. As noted above, in May 2025 the State Department—in tandem with the issuance of OFAC G.L. 25—issued a 180-day [waiver](#) of sanctions against third-country individuals and companies that engage in certain types of dealings involving Syria, its government, and individually sanctioned entities in Syria. On June 30, 2025, the State Department further [waived](#) the application of Caesar Act sanctions with respect to four individuals and six businesses with ties to Syria. Under Section

7431(a) of the Caesar Act, the President is authorized to suspend Caesar Act sanctions for a renewable period of 180 days if he determines that the Government of Syria is no longer engaged in a listed set of malign regional policy, human rights violations, and weapons proliferation. Although the Caesar Act requires the President to present appropriate congressional committees with a briefing describing his determination, Congress under the Caesar Act as currently in force cannot overrule the President's determination to suspend sanctions. Therefore, the President or the Secretary of State could suspend all Caesar Act sanctions for 180 days with immediate effect—though for practical purposes there may be some delay as the Department of State engages with interagency and congressional stakeholders.

Some members of Congress are [pushing](#) for full repeal of the Caesar Act. In a bi-partisan effort, Senators Jeanne Shaheen (D-NH) and Rand Paul (R-KY) introduced a [bill](#) on June 19, 2025 that would repeal the Caesar Act. Because the Caesar Act limits waivers to a period of no more than 180 days, albeit renewable indefinitely, U.S. Secretary of State Marco Rubio [stated](#) that “we’d like to see the law repealed, because you’re going to struggle to find people to invest in a country when in six months sanctions could come back.”

The E.O. also directs the Secretary of State to “take all appropriate action with respect to the designation[s]” of HTS as a Foreign Terrorist Organizations and as a Specially Designated Global Terrorist and of new Syrian President Ahmed al-Sharaa as an SDGT, as well as to explore avenues at the United Nations to provide further sanctions relief. In accordance with E.O. 14312, on July 8, 2025, the Department of State [revoked](#) HTS’s designation as an FTO. As of this writing, HTS remains designated by OFAC as an SDGT, but that restriction could also soon be lifted.

VI. Key Takeaways

The revocation of the SySR marks a fundamental shift in U.S. foreign policy toward Syria and substantially lifts restrictions on U.S. and foreign firms doing business in the country following the fall of the Assad regime. Despite the sanctions rollback, targeted sanctions remain an active tool for addressing Syria-related national security concerns, and the U.S. embargo on goods (including both military and dual-use items, as well as non-controlled items) currently remains in place. Companies should continue to carefully evaluate Syria-related sanctions and export control risks, including screening counterparties and transactions for exposure to designated persons.

Further changes to U.S. trade controls on Syria are likely to be announced in coming weeks. President Trump’s E.O. has signaled that both Syria’s status as an SST and existing U.S. export controls are likely to be removed or curtailed; however, for the time being, export restrictions remain broadly intact. Although BIS can now rescind or modify the Syrian embargo set forth in the EAR, it could be some time before export restrictions are substantially altered due to the complexity of those controls. Businesses that wish to engage in transactions involving Syria will need to carefully evaluate the current state of export regulations at the time of any transactions (including whether any items are subject to the EAR) and may need to apply for an export license from BIS.

Gibson Dunn is available to advise clients as they navigate the evolving Syria sanctions and export controls landscape, including by developing engagement strategies, compliance assessments, license applications, and transactional due diligence.

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