

US Lifts Most Sanctions on Syria

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On May 23, the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) issued Syria [General License 25](#) (GL 25), effectively lifting most sanctions imposed under the Syrian Sanctions Regulations (SSR) (31 C.F.R. Part 542). This move, foreshadowed by President Trump on May 13 during a [speech](#) in Riyadh, aims to support Syria's economic recovery and reconstruction following the collapse of Bashar al-Assad's regime in December 2024. Accompanied by a set of [frequently asked questions](#) issued on May 28, GL 25 reflects a broader U.S. strategy to foster stability and align with the new Syrian government's efforts for a "fresh start" and to rebuild.

However, there remain U.S. and international sanctions risks in doing business in Syria. Designated terrorist groups continue to maintain a presence in certain areas, and those connected to the former Assad regime, drug traffickers, and others remain subject to U.S. sanctions. So careful diligence is warranted. Furthermore, the reimposition of sanctions remains a real possibility if the new Syrian government is not able to deliver on its promises. While the main sanctions on Syria have been lifted, stringent U.S. export controls on Syria remain in place.

Background

Syria has been under varying levels of U.S. sanctions since 1979, when it was designated a state sponsor of terrorism. These sanctions were expanded over the years through executive orders and legislation targeting the Assad regime's human rights abuses, support for terrorism, and regional destabilization. The Syrian Civil War, erupting from pro-democracy protests in 2011, led to a major escalation of U.S. sanctions, most notably, under [Executive Order 13582](#), the "blocking" of the Government of Syria, and the key prohibitions in the SSR such as on new investment in Syria and the provision of services to Syria. The most impactful congressional sanctions action, the Caesar Syria Civilian Protection Act of 2019 (the Caesar Act), set out broad "secondary sanctions" risks for non-U.S. persons in Syria.

Following Assad's ouster, a new government led by President Ahmed al-Sharaa emerged. President al-Sharaa, who has historical affiliations with Hay'at Tahrir al-Sham, a Foreign Terrorist Organization and Specially Designated Global Terrorist group, has promised to prevent terrorist safe havens, protect minority rights, pursue non-aggression policies, and engage in counterterrorism cooperation, commitments the U.S. will be closely monitoring. A reimposition of sanctions is a real possibility if al-Sharaa's government does not make enough progress to satisfy the Trump administration in key areas.

GL 25

GL25 authorizes transactions previously prohibited under the SSR, including the provision of services to Syria, new investment in Syria, the importation of or dealing in petroleum and petroleum products from Syria, dealings with the Government of Syria as constituted on or after May 13, 2025, and transactions with certain blocked persons listed in the annex to GL 25 (the Annex), as well as entities owned 50% or more by such blocked persons in the Annex. GL 25 also authorizes transactions by, to, and through the Central Bank of Syria and permits U.S. financial institutions to process such transactions, but it does not unblock any property of the Central Bank of Syria or any other property that was blocked as of May 22, 2025.

GL 25 does not authorize transactions involving individuals or entities on the List of Specially Designated Nationals and Block Persons (SDN List) not specified on the Annex, or entities of which they own 50% or more; nor does it permit otherwise restricted activity involving Russia, Iran, or North Korea, or their governments.

State Department Response

The U.S. Department of State issued a [180-day waiver](#) of sanctions mandated under the Caesar Act that primarily impacted non-U.S. persons. The U.S. government retains discretion to impose these “secondary sanctions” based on activity that it views as undermining its policy goals in Syria. But this waiver removes the congressional “mandate” to impose sanctions based on a wide range of activities in Syria.

FinCEN Response

The U.S. Department of the Treasury’s Financial Crimes Enforcement Network (FinCEN) issued [exceptive relief](#) under Section 311 of the USA PATRIOT Act, allowing U.S. financial institutions to open and maintain correspondent accounts for the Commercial Bank of Syria (CBOS). This relief lifts previous prohibitions that had effectively isolated CBOS from the U.S. financial system. However, financial institutions must continue to adhere to due diligence obligations set forth under Section 312 of the USA PATRIOT Act.

Conclusion

GL 25 represents a bold U.S. policy shift to lift sanctions on Syria, driven by President Trump’s vision to give the country “a chance at greatness.” While GL 25 opens the door to new business opportunities in Syria, it introduces a complex and evolving compliance landscape. Syria is no longer subject to comprehensive U.S. sanctions, but it remains designated by the U.S. Department of State as a State Sponsor of Terrorism, and stringent export controls remain in place. Moreover, most transactions with many OFAC-blocked individuals and entities, and with designated Foreign Terrorist Organizations, remain prohibited.

For organizations seeking to reenter or expand operations in Syria, these dynamics underscore the need for enhanced due diligence, updated compliance controls, and a review of existing contracts that may no longer reflect current U.S. law and policy. It is important to note that GL 25 may be amended or revoked without notice, and the temporary waiver of the Caesar Act sanctions may lapse or be revoked based on political or security developments in Syria.

While GL 25 presents a narrow and conditional path forward, any engagement in Syria should be guided by a clear-eyed risk assessment and a proactive, adaptable compliance strategy.

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