

With Additional Syria Sanctions Relief, Risks Remain

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On June 30, 2025, President Trump issued an [executive order](#) (EO) that, effective July 1, revokes the U.S. sanctions program on Syria, and calls for the removal of the Syrian Sanctions Regulations from the Code of Federal Regulations (31 C.F.R. Part 542). This builds on the significant sanctions relief that we described in detail in our [May 29 client alert](#).

As of July 1, the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) has [confirmed](#) that "[a]ll Syrian financial institutions have been removed" from the Specially Designated Nationals (SDN) list. OFAC stated that it [removed](#) 518 SDNs that had been designated under the Syria sanctions program, in conjunction with the State Department's [removal](#) of sanctions on certain individuals and entities.

However, elements of U.S. sanctions on Syria remain in place, in particular stringent export controls. The EO waives certain statutory requirements to impose broad export controls on Syria, although this waiver has not yet been implemented by the U.S. Commerce Department's Bureau of Industry and Security (BIS).

The EO directs the Secretary of State to review the designation of Hay'at Tahrir al-Sham (HTS) as a Foreign Terrorist Organization (FTO), along with the designations of HTS and Ahmed al-Sharaa as Specially Designated Global Terrorists (SDGT), and Syria's designation as a State Sponsor of Terrorism. The Secretary of State has also [stated](#) that he "will examine the potential full suspension of the Caesar Act," building on the waiver already in place, as described in our May 29 alert.

OFAC [confirmed](#) that [Syria General License \(GL 25\)](#), detailed in our May 29 alert, can still be used and remains relevant for dealings with parties that are sanctioned under other programs, such as Syrian government authorities that may be associated with HTS or other FTOs.

OFAC has replaced the Syria sanctions program with the [Promoting Accountability for Assad and Regional Stabilization Sanctions \(PAARSS\) program](#). Under this new authority, OFAC has expanded its sanctions "on Bashar al-Assad and his associates, human rights abusers, captagon traffickers, persons linked to Syria's past proliferation activities, ISIS and Al-Qa'ida affiliates, and Iran and its proxies." OFAC [designated](#) over 130 individuals and entities for these reasons.

OFAC did warn that that "[p]ending or future OFAC investigations or enforcement actions related to apparent violations of the Syrian Sanctions Regulations that occurred prior to July 1, 2025, may still be carried out." This is a typical policy when OFAC terminates a sanctions program, clarifying that previous violations can still be penalized and ongoing cases will not necessarily be impacted.

Conclusion

As the U.S. and partner governments continue taking actions to relax sanctions on Syria, some risks remain. Due diligence and screening remain important, along with export controls compliance. Stakeholders should continue to monitor developments closely, as this sanctions relief could be reversed if the Syrian government is not viewed as upholding the sweeping commitments it has made.

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