
June 5, 2025

U.S. Eases Most Syria Sanctions

On May 23, 2025, the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") issued General License No. 25 ("GL 25"), easing most of the long-standing sanctions that had targeted Syria.¹ The easing of economic sanctions follows President Trump's May 13 meeting with Syrian President Ahmed al-Sharaa in Saudi Arabia.²

GL 25 authorizes, subject to several limitations, transactions that had been prohibited by the country-wide comprehensive sanctions imposed on Syria (*i.e.*, U.S.-nexus transactions involving persons located or ordinarily resident in or organized under the laws of Syria).³ GL 25 also authorizes transactions with specific blocked persons identified in an annex, which includes the Government of Syria (*i.e.*, the government led by President al-Sharaa) and many of the largest Syrian financial institutions, energy companies and ports, among others.

On the same day, the U.S. Department of State ("State") issued a temporary waiver to remove the risk of so-called secondary sanctions on non-U.S. persons that engage in transactions with Syria.⁴

Below, we summarize the new authorizations and their potential impact, discuss parallel actions taken by the European Union ("EU") and the United Kingdom ("UK") and consider practical steps companies may wish to consider in updating their sanctions compliance programs.

What GL 25 Does—and Does Not Authorize

- **Broad Authorization of SySR-Prohibited Activity.** GL 25 authorizes "all transactions prohibited by the SySR [OFAC's Syrian Sanctions Regulations], other than transactions involving blocked persons," unless an express limitation applies (as discussed below).
- **Broad Authorization to Transact with the Government of Syria and the Annexed Entities.** GL 25 further authorizes all transactions otherwise prohibited under, in addition to the SySR, (1) the Weapons of Mass Destruction Proliferators Sanctions Regulations, (2) the Iranian Financial Sanctions Regulations, (3) the Global Terrorism Sanctions Regulations, (4) the Foreign Terrorist Organizations Sanctions Regulations, and (5) Executive Order 13574, when the counterparty is:
 - ◆ "the Government of Syria" as currently constituted (*i.e.*, the government led by President al-Sharaa);

¹ U.S. Dep't of Treasury, *General License No. 25: Authorizing Transactions Prohibited by the Syrian Sanctions Regulations or Involving Certain Blocked Persons* (May 23, 2025), available [here](#). The easing of economic sanctions follows President Trump's May 13 meeting with Syrian President Ahmed al-Sharaa in Saudi Arabia and President Trump's statement that he would order the "cessation of sanctions against Syria." Gram Slattery et. al., *Trump to remove US sanctions on Syria in major policy shift* (May 14, 2025), REUTERS, available [here](#).

² Yousef Saba, *Trump Says US to Lift Syria Sanctions, Secures \$600 Billion Saudi Deal* (May 14, 2025), REUTERS, available [here](#).

³ These sanctions were in the Syrian Sanctions Regulations ("SySR").

⁴ On May 23, the U.S. Department of State issued a 180-day (renewable) waiver under the Caesar Syria Civilian Protection Act of 2019, the effect of which lifts the threat of so-called secondary sanctions (*i.e.*, a threat from the U.S. government to impose sanctions on non-U.S. persons who engage in certain delineated activities) against non-U.S. persons who provide significant support or engage in significant transactions with the Syrian government or those acting on its behalf and various goods or services to certain key industries in Syria, including energy, infrastructure and military/defense. U.S. Dep't of State, *Caesar Act Waiver Certification* (May 23, 2025), available [here](#).

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- ◆ any blocked person listed in GL 25's Annex (including, *e.g.*, Syrian Arab Airlines, Commercial Bank of Syria, Central Bank of Syria, and various petroleum, shipping, ports, refining, and banking entities); or
 - ◆ any entity 50 percent or more owned, directly or indirectly, by one or more blocked persons listed in the GL 25 Annex.
- **Important Carve-outs Remain.** GL 25 does not authorize: (1) dealings with any individual or entity on OFAC's Specially Designated Nationals and Blocked Persons ("SDN") List or other blocked person that is not identified in the Annex or any entity 50 percent or more owned by any such blocked person not included in the Annex; (2) unblocking of property of persons in the Annex already frozen under any sanctions program as of May 22, 2025; or (3) Syria-related transactions "for or on behalf of" the governments of Russia, Iran, or North Korea, or transfers of goods, technology, software, funds, financing, or services to or from those jurisdictions. For example, a U.S. financial institution would still not be permitted to provide financing or other support for a Syrian company to export goods to Russia.
- **U.S. Export Control Requirements Still Apply.** GL 25 does not affect compliance requirements under U.S. export control laws and regulations, including the Export Administration Regulations ("EAR"). As of the date of this memorandum, the U.S. Department of Commerce's Bureau of Industry and Security ("BIS"), which administers the EAR, has not announced any actions to reduce the highly restrictive export controls targeting Syria.

GL 25 Fact Sheet

On May 28, 2025, OFAC issued a fact sheet providing guidance about GL 25 in the form of nine frequently asked questions ("FAQs").⁵ Below we describe some of the most relevant FAQs for U.S. and non-U.S. companies:

- GL 25 authorizes activities and transactions with the Government of Syria, including its leaders and governing institutions as in existence on or after May 13, 2025. GL 25 does not authorize transactions involving Bashar al-Assad or other SDNs who are not specifically listed in GL 25's Annex, and neither does it unblock property that was blocked as of May 22, 2025.⁶
- Non-U.S. persons do not face sanctions risk exposure for engaging in activities or facilitating transactions or payments authorized by GL 25. Additionally, and as discussed above, the State Department issued a 180-day waiver pursuant to the Caesar Act, which waives the application of so-called secondary sanctions against non-U.S. persons.⁷
- Under GL 25, U.S. financial institutions may process transactions with the Central Bank of Syria; however, GL 25 does not authorize the unblocking of any property of the Central Bank of Syria.⁸

The Situation on the Ground is Dynamic and GL 25 Could be Revoked if Changes to the Current Political and Security Environment in Syria Occur

The U.S. government chose to lift Syria sanctions via an OFAC general license (*i.e.*, GL 25) and not via a regulatory action to formally revoke the SySR. As an example, this process is unlike Executive Order 13761 and the OFAC general license that first lifted the comprehensive sanctions targeting Sudan in 2017, as it does not reference a date on which the SySR will be formally revoked.⁹ As a result, if the security and political situation in Syria were to significantly shift (*e.g.*, the current government collapses or the U.S. government determines it is engaging in actions contrary to U.S. foreign policy or national security objectives), OFAC can quickly revoke or amend GL 25, which would swiftly reimpose comprehensive sanctions on Syria.

Alignment with EU and UK Actions

The U.S. decision to lift economic sanctions targeting Syria followed a series of similar actions taken by allied jurisdictions, including the EU and UK. On February 24, 2025, the EU announced that it would be lifting specified asset freezes and certain sectoral sanctions against Syria in several key areas including, energy, transportation, and financial services.¹⁰ And on May 28, 2025, the EU announced that it had adopted legal acts to lift all economic sanctions on Syria, "with the exception of those

⁵ U.S. Dep't of Treasury, *Frequently Asked Questions (FAQs) for Syria General License 25* (May 28, 2025), available [here](#).

⁶ *Id.*, at FAQ 2.

⁷ *Id.*, at FAQ 5.

⁸ *Id.*, at FAQ 7.

⁹ See Exec. Order No. 13761 92 Fed. Reg. 5331 (Jan. 13, 2017), available [here](#).

¹⁰ Council of the EU, *Syria: EU Suspends Restrictive Measures on Key Economic Sectors* (Feb. 24, 2025), available [here](#).

based on security grounds.”¹¹ In a similar action, on April 24, 2025, the UK announced it was lifting asset freezes on Syrian government bodies, including the defense and interior ministries, and lifting sanctions targeting Syria’s financial services and energy production sectors.¹²

Although the restrictions under EU and UK sanctions differ from OFAC’s sanctions programs, OFAC’s issuance of GL 25 continued the pattern of calibrated sanctions relief that, in practice, is likely to be conditioned on demonstrable improvement to the political and security situation in Syria and its continued internal stability.

Implications

There is now a broad authorization (subject to certain limitations) for persons to engage in U.S.-nexus business with Syria, including with a number of prominent blocked persons in Syria and the current Syrian government. The State Department has also waived threatened secondary sanctions for non-U.S. persons to engage in non-U.S. nexus business with Syria.

As a practical matter, U.S. and non-U.S. companies may wish to consider the implications of this sanctions relief on their own sanctions compliance programs and to potentially revisit risk assessments related to business exposure to Syria. GL 25 changes the legal landscape but does not remove the need for a thorough risk reassessment. Syria will remain a country with elevated sanctions-related risks, given the presence of numerous blocked persons who are not included in the Annex of GL 25, as well as the carve-outs in GL 25 with respect to transactions “for or on behalf of” the governments of Iran, Russia, and North Korea or involving various types of transactions with those jurisdictions, which we anticipate may present challenges for companies in conducting due diligence.

Any entity considering (re)entry into Syria should evaluate residual U.S. sanctions risk, the willingness of financial institutions, contractual restrictions, and ongoing AML/CFT concerns due to Syria’s FATF grey list status.¹³ Furthermore, GL 25 does not ease U.S. export controls and the EAR still requires licenses for exports of many U.S.-origin goods, software, and technology to Syria.

Additionally, to the extent that companies engage in new authorized business with Syria or the blocked persons in the Annex of GL 25, such companies may wish to consider having contractual or other protections in place should sanctions snap-back into place by the revocation or amendment of GL 25. Before increasing engagement with Syria, companies should also review their current contracts, particularly with financing partners, which may contain compliance clauses that may prohibit dealings with embargoed jurisdictions, including Syria, even when legal restrictions ease. Companies may also need to assess the possibility of amendments to current contracts, and consider tailored provisions in new agreements to address changes in GL 25 or sanctions snap-back.

It remains to be seen whether GL 25 will lead to a more permanent revocation of the SySR, and we expect that the U.S. government’s decision on such a revocation will be guided by how the political and security environment in Syria evolves, in addition to broader regional U.S. foreign policy and national security objectives.

¹¹ Council of the EU, *Syria: EU Adopts Legal Acts to Lift Economic Sanctions on Syria, Enacting Recent Political Agreement* (May 28, 2025), available [here](#).

¹² Foreign, Commonwealth & Development Office, *UK Bolsters Support for Syrian People by Amending Syrian Sanctions* (Apr. 24, 2025), available [here](#).

¹³ See FATF, “*Black and Grey*” Lists (Feb. 2025), available [here](#).

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This memorandum is not intended to provide legal advice, and no legal or business decision should be based on its content. Questions concerning issues addressed in this memorandum should be directed to:

L. Rush Atkinson

+1-202-223-7473

ratkinson@paulweiss.com

H. Christopher Boehning

+1-212-373-3061

cboehning@paulweiss.com

Jessica S. Carey

+1-212-373-3566

jcarey@paulweiss.com

John P. Carlin

+1-202-223-7372

jcarlin@paulweiss.com

Roberto J. Gonzalez

+1-202-223-7316

rgonzalez@paulweiss.com

David K. Kessler

+1-212-373-3614

dkessler@paulweiss.com

Nicole Succar

+1-212-373-3624

nsuccar@paulweiss.com

Samuel Kleiner

+1-212-373-3797

skleiner@paulweiss.com

Associates Rachel Gallagher, Josh Thompson and Sean Malone contributed to this Client Memorandum.