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EU Lifts Key Sanctions on Syria

Legal and Compliance Implications Amid Evolving Opportunities

Europe – 28 May 2025

Earlier this week, the Council of the EU adopted a series of legal instruments giving effect to what had been agreed on 20 May 2025, to significantly reduce sanctions on the Syrian Arab Republic. As a result, all EU economic restrictive measures targeting Syria have been lifted, except for those maintained on specific security-related grounds. This marks a substantial shift in the EU's sanctions posture, intended to facilitate renewed economic engagement, support post-war reconstruction and encourage institutional re-integration, while preserving targeted measures where legal and strategic considerations continue to apply.

As part of this move, 24 entities have been removed from the EU's list of designated persons and entities subject to asset freezes (*vid.* Annex II, EU Regulation N°36/2012). These include financial institutions such as the Central Bank of Syria and commercial actors operating in strategic sectors for the country's recovery, such as oil production and refining, cotton, telecommunications and media. The council characterises this lifting of sanctions as a principled response to a moment of historic transition, and a reaffirmation of the EU's long-standing partnership with the Syrian people.

Other specific entities removed from Annex II are:

- The Homs Refinery Company and the Baniyas Refinery Company, Syria's two principal state-owned oil refineries, responsible for the bulk of the country's domestic petroleum processing
- Seven oil and gas sector entities, including the Syrian Petroleum Company (SPC) and the Syrian Gas Company, both of which operate under the umbrella of the Ministry of Petroleum and Mineral Resources and play central roles in Syria's upstream and midstream energy production
- Syriatel Mobile Telecom, the country's largest mobile network operator, formerly linked to regime-affiliated figures and previously subject to EU asset freezes and restrictions
- Cham Press TV, a Damascus-based media outlet known for its alignment with former regime narratives, previously designated under EU measures targeting propaganda and disinformation actors

However, not all restrictions have been lifted. No individuals have been removed from the aforementioned list/annex. The council has explicitly maintained listings connected to the former Assad regime, the chemical weapons sector and the illicit drug trade. Sectoral restrictions relating to the arms trade, equipment for internal repression, surveillance technologies and the trafficking of cultural heritage also remain in force. These retained measures underscore the EU's dual-track approach, supporting reconstruction and political transition, while preserving pressure on actors associated with grave violations of international law.

In parallel, Council Implementing Regulation 2025/1111 introduced new restrictive measures under the EU Global Human Rights Sanctions Regime. These measures respond to a wave of violence that occurred in Syria's coastal region in March 2025, which resulted in significant civilian casualties, including many from the Alawite community.

In tandem with these decisions, the commission has welcomed the indefinite extension of the humanitarian exemption, which is intended to facilitate the delivery of aid and support reconstruction efforts. It has also confirmed that further suspensions of economic restrictions may be considered as the situation evolves. The EU will continue to monitor developments in Syria, and the council has reiterated its readiness to introduce additional measures against those who commit further violations or obstruct the transition process.

Looking ahead, the EU will convene its ninth international conference on Syria in Brussels. Notably, this year's conference will, for the first time, include representatives from Syria's interim authorities, alongside those UN, neighbouring states and regional partners. This inclusion marks a further step in the EU's engagement with Syria's evolving political landscape.

From a legal and compliance perspective, these developments warrant immediate and measured attention. Entities with existing exposure to Syrian markets, whether through legacy arrangements, indirect supply chains or dormant contracts, should promptly revisit their risk assessments and revise internal controls to account for the substantial delistings introduced this week. The removal of restrictions on major actors in the oil, banking, telecommunications and media sectors significantly reshapes the regulatory environment, opening the door to renewed commercial engagement under conditions that were previously prohibited. At the same time, businesses considering expansion or re-entry into the Syrian market must do so with caution, while the easing of economic sanctions creates new openings, targeted measures remain in place against individuals and entities associated with human rights violations, internal repression and the former regime.

These residual listings carry significant legal and reputational risks and should be carefully factored into due diligence and strategic planning. The current moment presents both opportunity and complexity; firms should treat this shift not as a blanket clearance, but as a prompt to recalibrate their compliance posture and reevaluate the viability of engagement with Syrian counterparties in light of the new, but still evolving, sanctions framework.

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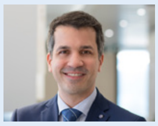

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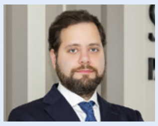

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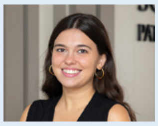

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