

Client Alert: U.S. Eases Export Controls and Sanctions on Syria

<u>Export Controls and Sanctions Group:</u> David Baron Perry Bechky Dale Eppler Daniel Fisher-Owens Ray Gold Babak Hoghooghi Jason McClurg Michelle Roberts John Sandage Bruce Zagaris	<i>September 2, 2025</i> Today, the U.S. Department of Commerce’s Bureau of Industry and Security (“BIS”) published a <u>Final Rule</u> amending the Export Administration Regulations (“EAR”) to significantly ease U.S. export controls on Syria. These changes follow the <u>termination of U.S. sanctions</u> administered by the Office of Foreign Assets Control (“OFAC”), and represent a major U.S. policy shift. Key Changes 1. New EAR License Exception SPP - BIS created a new license exception, Syria Peace and Prosperity (“SPP”), authorizing exports and reexports to Syria of all EAR99 items (i.e., low-technology items not listed on the Commerce Control List (“CCL”)), subject to certain exclusions. - Exclusions apply for transactions involving end-users or end-uses that are prohibited under EAR Part 744. For example, SPP does not overcome prohibitions on exports/reexports to certain SDNs (unless licensed by OFAC), or persons on the BIS Entity List, Denied Persons List or Unverified List. Additionally, SPP does not authorize exports to “military intelligence end-users” or end-uses, as defined in EAR 744.22, or other end-uses prohibited under Part 744, such weapons proliferation, long-range missiles and drones, and certain sensitive nuclear applications. 2. Expanded Eligibility for Existing EAR License Exceptions Syria is still in Country Groups D (National Security and Proliferation Concerns) and E:1 (State Sponsors of Terrorism), so authorization is still required for CCL items, but Syria now has new or expanded eligibility for certain existing EAR License Exceptions, including: - Consumer Communications Devices (CCD) - Replacement Parts and Equipment (RPL) - Temporary Exports (TMP) - Aircraft, Vessels, and Spacecraft (AVS) - U.S. Government (GOV) - Technology and Software Unrestricted (TSU) Syria remains ineligible for License Exception ENC (encryption items), and other restrictions apply. For example, some license exceptions do not extend to exports/reexports to Syrian police, military or intelligence services. As always, it is important to comply with all terms and limitations when relying on any License Exception.
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3. Adjusted EAR Licensing Policies

- BIS has adopted **more favorable license review policies** for items that still require a BIS license.
- Applications for civil end-uses that support economic and business development in Syria and support the Syrian people will be subject to a presumption of approval. License applications should address specifically how the proposed export supports the Syrian people and/or promotes economic activity in Syria.
- All other license applications will be considered on a case-by-case basis rather than subject to a presumption of denial.

4. Termination of OFAC Sanctions

- Effective August 26, 2025, OFAC's Syria Sanctions Regulations were terminated, meaning it is no longer prohibited to export services to Syria or to engage in dealings with persons designated pursuant to Executive Order 13338. However, any blocked assets remain blocked until OFAC affirmatively unblocks them.
- There are still many parties in Syria who remain subject to OFAC sanctions due to designation under other OFAC sanctions programs, such as pursuant to Executive Orders 13894 or 14312 (targeting non-state actors in Syria) and counterterrorism sanctions programs.

Compliance Considerations

While these changes substantially reduce licensing burdens for EAR99 items, important restrictions remain:

- Transactions with SDNs and persons on BIS prohibited lists continue to be barred.
- Exports involving military intelligence end-users or end-uses, or other restricted uses under Part 744 remain prohibited.
- Due diligence remains critical to confirm counterparties and end-uses are eligible.
- Companies considering transactions involving Syria should update compliance procedures accordingly and consult counsel as needed.

For detailed guidance on how these changes may affect your operations, please contact Michelle Roberts, at mroberts@bcrlaw.com.

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