

U.S. and European Sanctions on Syria

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THE
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EXECUTIVE SUMMARY

The U.S. has maintained sanctions against Syria since the 1970s. However, the majority of current U.S. sanctions on Syria were imposed in two broad phases: a first phase in the 2000s that U.S. policymakers stated was a response to Syrian support for terrorism, activities in Lebanon, and other Syrian government activities, and a second phase that started in 2011 and has continued to the present, that U.S. policymakers stated was a response to the Syrian civil war. The European Union began to impose sanctions starting in 2011 as Syria’s civil war broke out, and the EU has escalated sanctions in several stages since 2011. The United Nations has imposed a limited number of sanctions related to Syria, generally targeted at the Islamic State group.

The United States imposes both “primary” and “secondary” sanctions on Syria. “Primary sanctions” are sanctions that prohibit business by U.S. citizens and by U.S. companies (with exceptions for certain humanitarian relief work), and which prohibit financial transactions that touch the U.S. financial system and the sale of U.S.-made goods to Syria. Secondary sanctions, which the U.S. Congress expanded in late 2019 by passing the “Caesar Syria Civilian Protection Act,” (“Caesar Act”) are sanctions that seek to prohibit third-country transactions with Syria, such as certain categories of French, German, or Russian business with Syria.¹

U.S. primary sanctions amount to an embargo on almost all trade and financial ties between the U.S. and Syria, with limited exceptions. Principal categories of U.S. primary sanctions are:

- A prohibition on U.S. foreign assistance to the Syrian government and U.S. opposition to international financial institution support for Syria.
- A prohibition on U.S. arms trade with Syria.
- A prohibition on the export or re-export of U.S. goods to Syria (with exceptions for certain categories of humanitarian aid, such as food and medicine).
- A prohibition on the export of U.S. services to Syria.
- A prohibition on U.S. importation of certain Syrian products, including oil.
- Financial and investment restrictions on Syria that generally prohibit U.S. investment in Syria and U.S. financial transactions with Syria.
- An asset freeze on Syrian government assets in the U.S. and prohibition on U.S. people and companies’ transacting or doing business with the government of Syria, including Syrian state-owned companies.
- A range of targeted sanctions on various Syrian government officials, businesses, and entities that freeze assets in the U.S. and prohibit U.S. persons from doing business with them.
- A ban on most Syrians’ traveling to the U.S.

The U.S. also imposes secondary sanctions designed to prohibit certain categories of third-country trade with Syria. U.S. secondary sanctions on Syria were comparatively limited until late 2019, when Congress passed the Caesar Act. However, secondary sanctions remain more limited than primary sanctions. Main categories of secondary sanctions are on:

¹ This memo uses several sanctions “terms of art” such as “primary sanctions” and “secondary sanctions” throughout. These terms are defined in Annex 1.

- Non-U.S. companies that support or engage in significant transactions with the Syrian government, including entities owned or controlled by the Syrian government.
- Non-U.S. military contractors and paramilitary forces working for the Syrian government, the Russian government, and/or the Iranian government.
- Non-U.S. companies that support or engage in significant transactions with sanctioned Syrian companies, individuals, or entities.
- Non-U.S. companies that support Syrian government oil and gas production.
- Non-U.S. companies that provide significant construction or engineering services to the government of Syria.
- Non-U.S. companies that provide aircraft or spare parts for military use in Syria.
- Non-U.S. companies that support Syria's weapons of mass destruction (WMD) programs.

The European Union started imposing sanctions on Syria in 2011 following the outbreak of the Syrian civil war. EU sanctions on Syria are somewhat narrower than U.S. sanctions, limiting specific categories of trade and investment, and include extensive sanctions on the Syrian government and targeted sanctions against Syrian individuals and companies. EU sanctions, however, do not limit trade as extensively as U.S. sanctions do. In addition, the European Union does not impose secondary sanctions on third-country companies that do business in Syria; the EU only imposes primary sanctions on Syria. Principal categories of European sanctions on Syria include:

- A prohibition on buying Syrian oil.
- A prohibition on selling equipment to develop Syria's oil industry (and associated services).
- Restrictions on investments in Syria and limits on Syrian banks' ability to operate in the EU.
- An asset freeze on Syrian government assets in the EU and prohibition on EU people and companies' transacting or doing business with the government of Syria, including many Syrian state-owned companies.
- A range of targeted sanctions on various Syrian government officials, businesses, and entities that freeze assets in Europe and prohibit EU companies from doing business with them.

To date, the United Kingdom's sanctions regime established post-Brexit effectively parallels the EU sanctions regime.

There are legal constraints on the U.S. executive branch in lifting some, but not all, U.S. sanctions on Syria. For sanctions enacted pursuant to the Caesar Act and certain other U.S. statutes, the executive branch must issue waivers and/or certify that Syria has met certain specified criteria prior to suspending or terminating the sanctions. The legal structure of waiver authorities in the Caesar Act and other relevant statutes, however, does provide the executive branch with a degree of flexibility to suspend sanctions should the president determine that doing so is in the U.S. national interest. That said, such suspensions generally are time-limited and would have to be renewed every 180 days, and the executive branch lacks the authority to fully terminate congressionally mandated sanctions unless it can certify that Syria has met certain criteria specified in statute. Furthermore, the requirement to issue waivers increases U.S. domestic political costs of suspending or easing sanctions. For sanctions that were imposed under executive branch authorities, rather than mandated by Congress, the executive branch retains broad discretion to suspend and terminate the sanctions.

While the Caesar Act and other statutory sanctions requirements do put some limits on the U.S. executive branch’s ability to lift sanctions on Syria, practically speaking, the U.S. president continues to have a degree of legal discretion to offer partial sanctions relief in exchange for policy concessions by the Syrian government. Such sanctions relief could take either the form of “small for small” confidence-building measures, in which the U.S. would offer specific, targeted sanctions relief in exchange for limited policy concessions; or “bigger for bigger” measures in which the U.S. would offer comparatively more sanctions relief in exchange for more significant concessions by the Syrian government. For the U.S., the fundamental question of sanctions relief remains one of U.S. policy: does the U.S. president view lifting sanctions on Syria as being in the U.S. national interest, or not? At present, President Donald Trump’s administration views continued aggressive sanctions on Syria as strongly in the U.S. national interest and thus appears substantially more likely to escalate sanctions on Syria than to consider options for sanctions relief.

The European Union Council has broad discretion to lift EU sanctions on Syria with the agreement of all EU member states; in practice, agreement between major EU powers tends to secure European Union-wide agreement on sanctions matters. In addition, European sanctions on Syria must be renewed annually, providing a regular mechanism for the European Union to evaluate and adjust sanctions, though in recent years the EU has renewed the sanctions without significant debate.

Given the Caesar Act’s imposition of U.S. secondary sanctions on Syria, most European multinationals will refrain from doing business with Syria that contravenes the Caesar Act as long as U.S. sanctions remain in place, even if the European Union suspends or lifts European sanctions on Syria.

I. OVERVIEW OF U.N. SANCTIONS ON SYRIA

The United Nations does not currently impose sanctions directly targeting Syria as a country or directly targeting the Syrian government. However, there are two provisions of U.N. sanctions that impact Syria:

- **Prohibition on trade in antiquities:** In 2015, U.N. Security Council Resolution (UNSCR) 2199 (2015) prohibited any trade in antiquities removed from Syria since March 15, 2011.² UNSCR 2199 was intended to preserve Syria’s cultural heritage following widespread reports of looting by the Islamic State group and criminal gangs.
- **Sanctions on the Islamic State group (Daesh):** U.N. Security Council Resolution 2253 (2015) imposes sanctions on IS and Al-Qaeda,³ including both IS as an organization and individual named IS members, and prohibits trade and commerce with IS and named members. UNSCR 2199 further calls on states to take measures to ensure they are not purchasing IS oil or otherwise engaging in oil trade with IS.

These U.N. sanctions will remain in force until the U.N. Security Council adopts new resolutions amending or terminating the existing provisions.

II. OVERVIEW OF U.S. SANCTIONS ON SYRIA

The U.S. maintains a broad array of sanctions that effectively prohibit all nonhumanitarian trade between Syria and the United States. In addition, following the passage of the Caesar Syria Civilian Protection Act in late 2019, starting in June 2020 the U.S. imposes a wider variety of secondary sanctions designed to deter certain categories of third-country trade with Syria. Stated policy objectives of U.S. sanctions on Syria, as reflected in language included in U.S. statutes, executive orders, and regulations, include combating WMD proliferation; punishing Syria over its support for terrorist groups and terrorist acts; pressure over human rights abuses and political repression, including the Syrian civil war; policy responses to Syria’s political interference in Lebanon and Iraq; and pressure on Syria’s ties to Iran, which are a top priority for the Trump administration.

History

U.S. sanctions on Syria date to 1979, when the United States designated Syria a “state sponsor of terrorism” (SST), and successive rounds of sanctions were imposed in the mid-2000s in response to Syrian activities in Lebanon and Syria’s WMD program, and then starting in 2011 in response to the emerging Syrian civil war.

Despite this lengthy history, prior to 2004, U.S. sanctions on Syria were comparatively limited: Pre-2004 sanctions consisted largely of restrictions on U.S. government assistance to Syria, an arms embargo, and targeted sanctions on a number of Syrian officials and government entities involved in specific activities. In addition, the “state sponsor of terrorism” designation required U.S. banks to

² <https://www.un.org/press/en/2015/sc11775.doc.htm>, paragraph 17.

³ <https://www.un.org/securitycouncil/s/res/2253-%282015%29>.

subject transactions involving the Syrian government, including companies and entities owned by the Syrian government, to heightened controls.

In 2003, however, the U.S. Congress passed the Syria Accountability Act (SAA), which required the president to impose broader sanctions on Syria, and President George W. Bush implemented the SAA in 2004 by issuing Executive Order (E.O.) 13338, which restricted the export of most U.S. goods to Syria (with the exception of food and medicine), banned Syrian air carriers from flying to the United States, and broadened U.S. targeted sanctions against Syrian officials and government entities. That said, other business activities continued to be allowed, including U.S. imports of Syrian goods (including oil), U.S. investments in Syria, and U.S. banking transactions related to Syria.

The U.S. dramatically expanded sanctions on Syria in 2011, curtailing most remaining trade between the U.S. and Syria and imposing sanctions on the Syrian government, numerous Syrian government-owned enterprises, and prominent Syrian businessmen and their businesses. A few simple trade statistics illustrate the impacts of this expansion, combined with the economic impacts of the Syrian civil war: bilateral U.S.-Syria trade exceeded \$900 million in 2010, but has remained under \$60 million per year since 2012.

Between 2011 and 2019 the U.S. added other Syrian-related individuals, companies, and entities to U.S. sanctions lists, but the legal structure of U.S. sanctions remained largely stable. Then in late 2019 the U.S. Congress passed the Caesar Syria Civilian Protection Act, which established new categories of secondary sanctions on Syria in an effort to prohibit various categories of third-country trade with Syria. Most of the Caesar Act sanctions became effective in June 2020, 180 days after President Trump signed the Caesar Act into law.

U.S. Primary Sanctions on Syria

U.S. primary sanctions restrict economic ties between the U.S. and Syria and limit Syria's ability to access the U.S. financial system. In addition, U.S. primary sanctions freeze Syrian government assets as well as the assets of individually sanctioned Syrians and individually sanctioned Syrian companies in the U.S. and prohibit American companies from doing business with them. U.S. primary sanctions on Syria can be divided into nine major categories:

1. **Prohibition on official government assistance to Syria and U.S. opposition to international financial institutions' support for Syria:** Syria's designation as a state sponsor of terrorism (SST) prohibits most categories of foreign assistance to the Syrian government. In addition, the SST designation requires the U.S. to oppose Syria's receiving financial assistance from international financial institutions such as the World Bank and the International Monetary Fund.
2. **Arms embargo:** Syria's designation as an SST and provisions of the 2003 Syria Accountability Act (SAA) generally prohibit the sale of arms (defined as items on the U.S. Munitions List) and many "dual use" goods that have military and civilian applications.
3. **Ban on the export of most U.S.-origin goods to Syria:** The Syria Accountability Act directed the U.S. president to prohibit most U.S. exports to Syria. This includes a prohibition on the re-export of U.S.-origin goods to Syria via third countries: For example, a Lebanese company

cannot legally purchase a U.S.-made generator and then re-export it to Syria. The ban also prohibits the sale of foreign-made equipment where that equipment uses more than *de minimis* U.S.-origin parts. For example, a German tractor company could not sell Syria a German-made tractor that used a large number of U.S. parts (e.g., a U.S.-made engine) absent a license. President George W. Bush implemented this ban in 2004.

Despite this general prohibition, the U.S. Commerce Department can provide specific licenses to individual companies authorizing them to export specific U.S.-made equipment to Syria: For example, it could license a U.S. NGO to export U.S.-made agricultural equipment to Syria for use in specific projects that the U.S. government supports.

4. **Ban on the export of U.S. services to Syria:** U.S. sanctions generally prohibit U.S. companies and persons from exporting services to Syria. For example, U.S. companies cannot provide shipping, insurance, or many IT services to Syria.
5. **Financial and investment restrictions:** The ban on the export of U.S. services to Syria includes a prohibition on U.S. banks' providing financial services/access to banking services to banks and companies in Syria. This includes a ban on both direct financial transactions between the U.S. and Syria and a ban on foreign companies and banks' use of the U.S. financial system to process Syria-related transactions: For example, a German company doing business in Syria cannot use a U.S.-linked bank to process a Syria-related payment. Practically speaking, this prohibition makes it difficult for foreign companies doing business in Syria to use major Western banks (which generally have large U.S. operations) or to use the U.S. dollar in Syria-related trade. In addition, U.S. sanctions generally prohibit American individuals and companies from making new investments in Syria.
6. **Ban on the import of Syrian petroleum and trading/dealing with Syrian petroleum:** U.S. sanctions specifically prohibit U.S. companies from importing Syrian-origin petroleum and petroleum products into the U.S. and from trading, transporting, or engaging in other dealings involving Syrian-origin petroleum or petroleum products. For example, a U.S. refinery cannot import Syrian crude oil or refined petroleum. Similarly, a U.S. energy company cannot purchase or trade Syrian oil, even if the oil is destined for use in a third country, such as Italy.
7. **Sanctions on the Syrian government and Syrian government ministries/agencies:** U.S. sanctions freeze the assets of the Syrian government in the United States. U.S. companies are generally prohibited from engaging in business with the Syrian government or Syrian government entities, and Syrian government entities are generally prohibited from using the U.S. financial system. Sanctions on the Syrian government include sanctions on Syrian government ministries and state-owned companies, including the Syrian Central Bank, Syrian military and intelligence ministries; Syrian state-owned oil companies; Syrian port operators; and other state-owned and state-linked companies and entities.
8. **Targeted sanctions:** The U.S. has imposed targeted sanctions on a wide range of Syrian government officials, military leaders, businesses, pro-government businessmen, political leaders, militia leaders, and other supporters of President Bashar Assad. Major categories of targeted sanctions include targeted sanctions against:

- a. **Syrian government officials:** The U.S. has imposed targeted sanctions on numerous Syrian government officials, including President Assad and key aides, military and intelligence officials, officials involved in Syria’s chemical weapons program, and other officials.
- b. **Syrian businessmen and companies:** The U.S. has imposed targeted sanctions on numerous Syrian businessmen, including Samer Foz, Rami Makhoul, Ayman Jabir, George Haswani, and others. These targeted sanctions also typically include sanctions against companies the businessmen own and control.
- c. **Other political leaders and supporters of the Syrian government:** U.S. targeted sanctions have also been imposed on a variety of other supporters of the Syrian government and pro-government militia leaders.

A list of Syrian individuals, companies, and entities subject to U.S. targeted sanctions can be found at: <https://sanctionssearch.ofac.treas.gov>.

9. **Travel bans:** U.S. sanctions generally prohibit Syrian airlines from flying to the United States. Syrian individuals subject to targeted sanctions are generally prohibited from traveling to the United States. In addition to these targeted travel bans, in March 2017, E.O. 13780 generally prohibited Syrians (as well as nationals from a number of other countries) from obtaining visas to enter the United States and prohibited the entry of Syrian refugees into the United States. While there are certain narrow categories of exceptions, in general, Syrians are prohibited from traveling to the U.S.

The majority of U.S. sanctions, executive orders and regulations related to Syria can be found on the Treasury Department’s website at: <https://www.treasury.gov/resource-center/sanctions/Programs/pages/syria.aspx>.

The Commerce Department’s website explaining U.S. export controls on Syria can be found at: <https://www.bis.doc.gov/index.php/policy-guidance/country-guidance/sanctioned-destinations/syria>.

Lifting criteria: Generally speaking, the president has significant, but not complete, authority to suspend or lift U.S. primary sanctions on Syria. Most targeted sanctions, for example, can be lifted by executive branch action alone, as can the restrictions on the export of U.S. services to Syria, on the importation of Syrian goods, and on U.S. investment in Syria. The president does, however, have to either execute waivers or certify that Syria has met certain statutory criteria in order to lift the sanctions imposed under the Syria Accountability Act (including the prohibition on the export of most U.S. goods to Syria) and to lift Syria’s designation as a state sponsor of terrorism. Lifting criteria for different types of U.S. sanctions are explained in additional detail in Annex 2.

The Caesar Act and U.S. Secondary Sanctions on Syria

In December 2019, the U.S. Congress passed the Caesar Syria Civilian Protection Act as part of an annual U.S. defense bill. (The act is named after a disaffected Assad regime photographer, code name Caesar, who exposed atrocities taking place inside Syria.)

The Caesar Act substantially expanded U.S. secondary sanctions on Syria (sanctions seeking to prohibit third-country transactions with Syria), which had previously been comparatively limited in scope. While the Caesar Act does not seek to prohibit all third-country transactions with Syria, it does require the U.S. executive branch to impose sanctions on a variety of third-country individuals, companies, and entities that engage in specific types of business with Syria, the Syrian government, and individually sanctioned persons and companies in Syria. Specifically, the Caesar Act requires the U.S. executive branch to impose sanctions on non-U.S. persons, companies, and entities that:

- Provide “significant financial, material, or technological support to, or knowingly [engage] in a significant transaction with” the government of Syria, or any Syrian government-owned company or ministry.
- Provide “significant construction or engineering services” to the government of Syria.
- Provide “significant financial, material, or technological support to, or knowingly engage in a significant transaction with” senior Syrian government officials.
- Are military contractors or mercenaries in Syria working for the Syrian government, Russia, or Iran.
- Sell or provide significant goods, services, technology, information, or other support to maintain or expand Syria’s oil and natural gas production.
- Provide aircraft or spare parts that are used for military purposes in Syria.

In addition to these secondary sanctions, earlier rounds of U.S. sanctions had already imposed secondary sanctions on third-country companies that:

- Provide material support to the government of Syria and President Assad. (For example, in November 2018 the U.S. government used these authorities to [sanction](#) several Russian individuals and companies for providing oil to the Syrian government.)
- Support Syria’s WMD program and sponsorship of terrorism.

The Caesar Act also requires the U.S. Treasury Department to determine whether the Syrian Central Bank qualifies as a “jurisdiction of primary money laundering concern” under Section 311 of the USA Patriot Act. If the Treasury Department makes such a determination, the department will publish regulations limiting the Central Bank’s access to the U.S. financial system, though these measures will likely have limited effects in light of other U.S. sanctions on the Syrian Central Bank.

Lifting criteria: The Caesar Act contains a number of waiver provisions that the executive branch could use to partially or largely suspend provisions of the act, particularly if Syria meets certain criteria. In addition, the act will “sunset” in December 2024, five years after passage. These waiver provisions are discussed in greater detail in Annex 2.

III. OVERVIEW OF EUROPEAN UNION SANCTIONS ON SYRIA

European Union sanctions on Syria have been in place since 2011. They are, in general, narrower and more targeted than U.S. sanctions: For example, where United States sanctions effectively restrict all U.S. exports to Syria except for food and medicine, European Union sanctions restrict

trade in only specifically listed categories of products. Similarly, EU financial sanctions restrict European banks only from engaging in certain kinds of financial transactions with Syria and from transacting with designated Syrian banks, whereas the U.S. imposes a blanket embargo on all financial transactions with Syria. Policy objectives of EU sanctions on Syria, as reflected in language in EU regulations and press statements, are combating Syria's use of chemical weapons and putting pressure on the Syrian government over human rights abuses and political repression.

European Union sanctions on Syria must be renewed annually and will expire if not renewed. In recent years, renewal has not been politically or diplomatically controversial in the EU. The most recent renewal occurred in May 2020, and the sanctions will remain in force until June 1, 2021. The primary EU sanctions on Syria can be divided into eight categories:

- **Restrictions on official government assistance to Syria:** European Union sanctions impose various restrictions on the provision of official government assistance to Syria.
- **Arms embargo:** European Union sanctions prohibit the export of arms to and the import of arms from Syria.
- **Ban on the export of specified goods to Syria:** European Union sanctions prohibit the export of certain specifically identified goods to Syria. EU sanctions also generally prohibit the provision of services related to the export of the prohibited goods to Syria, even if the goods come from a third country; e.g., because EU sanctions prohibit the export of jet fuel to Syria, they also prohibit an EU company from shipping or brokering jet fuel procured outside of the EU to Syria. Goods covered by the EU ban on exports to Syria include:
 - Certain equipment, goods, and technology that can be used for internal repression in Syria.
 - Jet fuel.
 - Tracking and surveillance software and equipment, including software and equipment used to monitor telecommunications networks.
 - Equipment for the oil and gas industry in Syria or for use by Syrian-owned companies outside of Syria. This includes a ban on the export of equipment and technology for petroleum refining, liquefied natural gas production, hydrocarbons exploration, and related production. EU sanctions also ban European companies from providing services related to the prohibited equipment; e.g., a European company could not provide services related to LNG extraction in Syria even if the underlying equipment used was not of European origin. Member states may, however, authorize the provision of energy industry equipment with the endorsement of the Syrian National Coalition as long as no specifically sanctioned entities are involved.
 - Currency banknotes and coins provided to the Central Bank of Syria.
 - Gold, precious metals and diamonds to the government of Syria, including the Syrian Central Bank, and persons acting on the government's behalf.
 - Luxury goods.
- **Ban on the import of specified Syrian goods:** European Union sanctions prohibit European persons and companies from purchasing certain specified Syrian goods. These include:

- The purchase of Syrian oil and petroleum products. (However, member states can authorize the purchase of oil inside of Syria as part of humanitarian relief efforts.)
- The purchase of gold and precious metals from the government of Syria and persons acting on its behalf.
- The import or trade of Syrian cultural property taken from Syria since March 2011. (This implements the United Nations ban on trade in Syrian cultural artifacts removed from Syria since March 2011.)
- **Financial and investment restrictions:** European Union sanctions ban or restrict a variety of specified types of investment in and financial transactions with Syria. These include:
 - A ban on making investments in or providing loans or credits to the Syrian oil and gas industry.
 - A ban on making investments in or providing loans and credits for power generation projects.
 - Limits on the provision of trade finance for trade with Syria, including a prohibition on long-term trade finance facilities.
 - A ban on new lending by EU member states and institutions to the government of Syria, including a ban on lending by the European Investment Bank.
 - A ban on the issuance and purchase of new bonds issued by the Syrian government, Syrian state-owned enterprises, and Syrian banks.
 - A ban on Syrian banks' opening new branches in the EU, on European banks' forming new joint ventures with or investing in Syrian banks, on European banks' opening new correspondent relationships with Syrian banks, and on European banks' opening new branches in Syria.
 - A ban on providing insurance to the Syrian government and state-owned enterprises.

Member states are authorized to provide companies with exemptions to several of these sanctions to allow projects that are backed by the Syrian National Council and do not involve specifically sanctioned individuals or entities.

- **Sanctions on the Syrian government:** European Union sanctions on Syria include broad sanctions on the government, freezing the assets of the Syrian government in Europe, and broadly prohibiting EU business with the Syrian government. These sanctions also include targeted sanctions on numerous Syrian government entities, including multiple ministries, the Syrian Central Bank, and numerous Syrian state-owned companies.
- **Targeted sanctions:** Like the United States, The EU has imposed targeted sanctions on a wide range of Syrian government officials, military leaders, businesses, pro-government businessmen, political leaders, militia leaders, and other supporters of President Assad. Major categories of EU targeted sanctions include those against:
 - **Syrian government officials:** The EU has imposed targeted sanctions on numerous Syrian government officials, including President Assad and key aides, military and intelligence officials, officials involved in Syria's chemical weapons program, and others.

- **Syrian businessmen and companies:** The EU has imposed targeted sanctions on numerous Syrian businessmen, including Samer Foz, Rami Makhoul, Ayman Jabir, Khalid Qaddur, George Haswani, and others. Sanctioned companies include Syriatel, Cham Holding, the Syria Oil Trading Co.; the General Petroleum Corp.; multiple banks (including the Industrial Bank, the Popular Credit Bank, the Commercial Bank of Syria, and others); the Cotton Marketing Co.; and major oil refineries.
- **Other political leaders and supporters of the Syrian government:** EU targeted sanctions have also been imposed on a variety of other Syrian government supporters such as members of the Makhoul family and pro-government militia leaders.

The 2020 renewal removed two individuals and one company from the EU target list because of changed behavior; two other individuals were removed because they had died.

- **Travel restrictions:** EU sanctions prohibit Syrian Arab Airlines and cargo air carriers from flying to the European Union. In addition, individuals subject to EU targeted sanctions are generally prohibited from traveling to the European Union, and the EU has legal authorities in place to ban a variety of other Syrian officials and pro-government figures from the EU.

A complete list of individuals, companies, and entities subject to EU targeted sanctions can be found at:

<https://sanctionsmap.eu/#/main/details/34,32/?search=%7B%22value%22:%22%22,%22searchType%22:%7B%7D%7D>.

A set of EU regulations defining EU sanctions on Syria can be found at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1562516183560&uri=CELEX:02012R0036-20190304> and at <https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1566542303196&uri=CELEX:02013D0255-20190521>.

Note on Brexit: The United Kingdom implemented sanctions regulations on Syria that are substantially identical to current EU sanctions.

Lifting criteria: The European Union can suspend or terminate some or all of its sanctions on Syria through a unanimous decision of the European Council. In addition, EU sanctions must be renewed annually and will expire absent a decision by the council to extend them. (In recent years the sanctions have been extended without significant political disagreement.)

IV. LICENSES AND EXCEPTIONS

While U.S. primary sanctions establish a near-complete embargo on trade between the U.S. and Syria, the United States does provide certain licenses and exceptions that allow defined categories of trade and business. Major licenses and exceptions to U.S. sanctions on Syria include:

- **Sale of food and medicine:** The U.S. provides a general license to export food to Syria, as well as medicine designated “EAR99,” which generally includes over-the-counter medicines and basic medical supplies. The U.S. Commerce Department reviews applications to export other

medicines, such as vaccines and higher-end medicines, and more advanced medical devices, on a case-by-case basis “when the items will be for the benefit of the people of Syria.”

- **Remittances:** The U.S. provides a general license authorizing Americans to send non-commercial, personal remittances to individuals in Syria.
- **Personal communications, information, and informational materials:** U.S. sanctions do not prohibit Syrians from obtaining access to U.S. newspapers, books, and other informational materials, and licenses authorize U.S. companies to provide personal communications services, including via U.S.-based email services and on U.S.-based internet platforms, provided such services are provided at no cost to the user.
- **Travel:** U.S. citizens generally may travel to Syria without worrying about violating U.S. sanctions. This exemption applies even if travel to Syria requires U.S. citizens to engage in certain transactions that U.S. sanctions would prohibit in other contexts: For example, a U.S. citizen may make payments to Syrian government-owned ports and airports where the payment is related to the individual’s travel, even though U.S. sanctions generally prohibit other types of transactions with Syrian government-owned ports and airports.
- **Certain NGO charitable activities:** The U.S. provides a general license for NGOs to engage in certain charitable activities in Syria, including providing humanitarian relief to the Syrian people, providing educational services, noncommercial development projects that benefit the Syrian people, and the preservation of historical and cultural sites.

In addition to these general licenses, the U.S. can grant specific licenses to specific organizations or companies that wish to engage in other activities that would generally be prohibited by U.S. sanctions. For example, the U.S. has a stated policy of reviewing on a case-by-case basis license applications to promote nongovernmental agricultural development in Syria (which could include commercial as well as NGO agricultural projects) and licenses to sell certain telecommunications equipment to Syria.

However, existing U.S. licenses and exceptions generally do *not* allow activities that involve the Syrian government or other specifically sanctioned individuals or entities, even if the activity would otherwise be allowed under the license. For example, the general license authorizing personal remittances specifically excludes the transfer of remittances through the government of Syria (including the Syrian Central Bank) or specifically sanctioned banks. Similarly, the licenses allowing the sale of food and medicine generally do not authorize the sale of food and medicine to the government of Syria or sanctioned individuals or companies, and any payments from Syria for food and medicine generally cannot involve the government of Syria or sanctioned banks or companies. (NGOs operating in Syria are authorized to make necessary tax payments to the Syrian government and to purchase public utilities from Syrian government utility providers.) In practice, these exclusions can make it difficult for companies and NGOs to move significant amounts of money into and out of Syria, even if the financial flows are related to underlying activities, such as humanitarian relief activities, that are themselves authorized.

European Union sanctions also automatically provide certain licenses or exceptions and authorize individual member states to provide additional licenses and exceptions. However, these licenses tend

to be narrower than U.S. licenses because overall EU sanctions are narrower, so fewer licenses are needed. Major categories of European licenses and exceptions include:

- **Certain humanitarian relief efforts:** The EU provides licenses and exceptions to the sanctions to enable certain humanitarian relief projects. For example, European charities operating in Syria can generally purchase Syrian petroleum products as necessary to enable their activities.

Licenses and Exceptions for the Syrian Opposition and Areas Under Opposition Control

In addition to the general licenses and descriptions noted above, both the U.S. and the European Union authorize certain licenses and exceptions to sanctions to allow assistance to Western-aligned Syrian opposition groups, particularly groups that operate within the Syrian National Coalition. These licenses and exceptions generally date back to the early days of the Syrian civil war. Authorizations for support provided to Syrian opposition groups have included the provision of U.S. military assistance and other support for opposition groups and in opposition-controlled areas.

Publicly available licenses and exceptions can also be used to allow various assistance and reconstruction activities in opposition-controlled regions of Syria:

- **U.S. general license authorizing U.S. persons to provide services to the Syrian National Coalition:** A U.S. general license authorizes U.S. persons to provide services to the Syrian National Coalition, subject to various exceptions and limitations. This license, for example, allows the SNC to maintain representative offices in the U.S.
- **Availability of U.S. specific licenses for projects supported by the Syrian National Coalition:** The U.S. has a “statement of licensing policy” stating that the U.S. will consider specific license applications for the purchase of Syrian petroleum from the Syrian National Coalition and/or the development of Syrian petroleum projects that benefit the Syrian National Coalition. However, all such projects must apply for and receive a specific license before they can be commenced. (Under the statement of licensing policy, licenses will not be granted for activities involving the Syrian government.)
- **EU licenses for projects supported by the Syrian National Coalition:** EU member states can provide licenses to enable certain oil and gas, power generation, and other projects if supported by the Syrian National Coalition, as long as the projects do not involve specifically sanctioned entities. However, all such projects must apply for and receive a specific license before they can be commenced.

These licenses and statements of licensing policy generally do not cover Syrian opposition groups that are not a part of the Syrian National Coalition, e.g., certain Syrian Kurdish groups.

V. IMPACT OF SANCTIONS ON SYRIA

It is difficult to quantify the precise economic impacts of U.S. and EU sanctions on Syria separately from the economic impacts of the civil war. However, anecdotal as well as statistical evidence suggests that sanctions have imposed significant economic costs on the country.

- **Impairing imports and exports:** European Union trade volumes [collapsed](#) by more than 60% in 2012 compared to 2011, and in 2018 the total value of EU-Syria trade in goods was just 10% of its 2010 levels. U.S.-Syria [trade in goods](#) fell from \$620 million annually in 2011 to \$15 million in 2019. For the EU, 2018 trade volumes represented a modest rebound off of low points hit in prior years: EU-Syria trade volumes in 2018 were more than 50% greater than their low in 2016.
- **Impairing reconstruction investment:** Current U.S. and EU sanctions largely prohibit government financing for reconstruction and impair the participation of U.S. and EU commercial firms from making investments in Syria. While China pledged \$2 billion toward Syrian reconstruction in 2017, press reporting indicated that investments have been slow to materialize, and in recent years major Chinese companies have generally been wary of violating U.S. secondary sanctions in other contexts, such as Iran. (Smaller Chinese companies have been comparatively more willing to engage in business that carries U.S. sanctions risks but are unlikely to be able to provide the capital needed for serious reconstruction efforts.)
- **Impairing oil flows to Syria:** Press reporting indicates that U.S. sanctions [announced](#) in November 2018 against a network of Russian and Iranian companies and ships transporting oil to Syria at least temporarily constricted Syria’s oil imports, which Syria now depends on for fuel since the civil war destroyed much of Syria’s domestic oil production. U.S. sanctions, [for example](#), appear to be making the Suez Canal operator wary of allowing Iranian oil tankers bound for Syria to transit the canal, and Saudi Arabia, which owns a pipeline allowing oil to bypass the canal, is not allowing Iranian oil to flow through the pipeline.

VI. POTENTIAL LIFTING SCENARIOS

There is a vast number of conceptual scenarios for lifting U.S. and EU sanctions on Syria. However, broadly speaking, scenarios can be divided into two categories: “small for small” and “big for big.” “Small for small” scenarios involve comparatively limited U.S. and/or EU sanctions relief, such as relief on narrowly targeted categories or trade, or on a handful of specific individuals or companies, in exchange for comparatively limited policy concessions from the Syrian government. These types of scenarios could serve as confidence-building measures between the parties. “Big for big” scenarios involve comparatively larger sanctions lifting in return for comparatively larger policy concessions by the Syrian government.

Some “small for small” and virtually all “big for big” scenarios will require lifting of *both* sanctions on specific types of trade and certain individual targeted sanctions, given the key roles that a number of specifically sanctioned companies and entities, including the Syrian government, play in the Syrian economy. For example, the U.S. and EU have imposed targeted sanctions on most Syrian oil companies in addition to prohibiting most oil trade with Syria. Consequently, both sets of sanctions would need to be amended to let U.S. and EU companies return to investing in Syria’s energy sector

or purchase Syrian oil. Similarly, ongoing sanctions on Syria’s Central Bank would make financial transactions related to trade with Syria extremely difficult even if the underlying trade was authorized.⁴

U.S. vs. EU lifting: As a legal matter, of course, the U.S. and EU can lift sanctions independently of each other. And absent the Caesar Act and U.S. secondary sanctions, an EU decision to lift sanctions even if the U.S. kept restrictions in place could provide Syria with meaningful economic relief, given that Syria’s geography and historical ties make that the European Union a more important potential trading partner than the United States.

In the past, cases where the EU lifted sanctions but the U.S. kept restrictions in place have delivered sanctions relief, as long as the U.S. did not try to keep European companies out. For example, when the JCPOA nuclear deal with Iran was in force during 2016 and 2017, Iran’s oil exports rebounded strongly, Iran’s GDP grew, and Iranian trade with Europe rose dramatically, despite U.S. sanctions continuing to prohibit most Iranian trade with the U.S.

However, the Caesar Act is likely to substantially reduce the practical impacts of any EU sanctions lifting that does not include parallel action by the U.S. The JCPOA delivered benefits to Iran in large part because although the U.S. maintained restrictions on U.S.-Iran trade, the U.S. made clear that the U.S. would welcome European, Middle Eastern, and Asian companies’ trading with Iran—sending a clear message that U.S. sanctions would not stand in the way of European trade with Iran. With Syria, the situation is quite different: The Caesar Act sends a clear message that the U.S. *will* stand in the way of significant categories of European trade with Syria, regardless of Europe’s own sanctions laws. Most European companies, including oil companies, banks, major industrial companies, shipping companies, and airlines, will not engage in business in Syria that violates the Caesar Act, even if the business is authorized by European Union law, because companies will fear being sanctioned by the U.S. Given that the Caesar Act is primarily focused on stopping transactions with the Syrian government and with specifically sanctioned individuals and companies, as well as stopping the reconstruction of Syria’s petroleum sector, the Caesar Act will particularly limit European company involvement in deals with a Syrian government nexus, such as oil purchases, rebuilding Syria’s oil sector, and rehabilitation of government-owned infrastructure.

Indeed, the Iranian experience since President Trump withdrew from the JCPOA and reimposed “secondary sanctions” on non-U.S. companies illustrates how ineffective a purely EU lifting of Syria sanctions would be. Although European governments continue to authorize trade with Iran under EU law, and have actively urged European companies to keep trading with Iran, most European companies have pulled out under the threat of being sanctioned by the U.S. Should the EU, but not the U.S., lift Syria sanctions, some small European companies with little exposure to the U.S. may be willing to risk U.S. sanctions, but major European multinationals are simply unlikely to engage in substantial business in Syria that risks contravening the Caesar Act. Thus, a scenario of sanctions lifting that involves only the EU with no parallel steps from the U.S.—at the very least, the U.S. waiving relevant Caesar Act provisions—is unlikely to deliver major economic benefit to Syria.

⁴ The 2019 case of a Syria-bound Iranian oil tanker, the Grace 1, illustrates the connections between individual sanctions and broader measures. In July 2019, U.K. authorities seized the Grace 1 after it entered Gibraltar’s territorial waters. Although EU sanctions do not prohibit the export of Iranian oil, and although EU sanctions do not prohibit the export of oil to Syria generally, they do prohibit transactions with Syria’s Baniyas refinery, the tanker’s destination.

Scenario 1: Continued lifting of sanctions for opposition-controlled areas of Syria: As discussed earlier in this paper, both the U.S. and the EU already allow for certain licenses and exceptions to sanctions for goods, services, and projects that benefit certain Western-aligned Syrian opposition groups. Many of these existing licenses and exceptions require that projects be approved on a case-by-case basis (i.e., specific licensing), and are generally targeted at the Syrian National Coalition, not other Syrian opposition groups. However, due to the expansion of Syrian government control of territory since October 2019, this scenario would likely affect only a small fraction of Syria's territory and people.

The U.S. and EU could seek to expand authorizations for reconstruction in opposition-controlled areas, with different modalities for and levels of sanctions relief provided. These include:

- **Broaden existing statements of licensing policy to cover other Syrian opposition groups:** Existing statements of licensing policy in both the U.S. and the EU generally focus on the Syrian National Coalition, reflecting the fact that the statements of licensing policy were developed early in the Syrian civil war. The U.S. and EU could broaden the statements of licensing policy to state that specific licenses would be available for certain categories of assistance and commercial projects involving a wider range of Syrian opposition groups, including the Self-Administration of North and East Syria or Kurdish groups that are not currently part of the Syrian National Coalition. However, individual projects would still be required to obtain specific licenses on a case-by-case basis prior to being commenced.
- **Provide general licenses for reconstruction and commercial activities in opposition-controlled areas:** In a more expansive sanctions-lifting scenario, the U.S. and EU could provide general licenses for reconstruction and commercial activities in geographically identified opposition-controlled areas. For example, the U.S. and EU could craft general licenses that provide a general authorization for such activities in named major opposition-controlled cities as well as other areas under opposition control. (These could also include activities in the northeast Self-Administration or Kurdish-controlled geographic areas.)
- **Generally authorize purchases of and/or investments in opposition-controlled oil projects:** As discussed above, the U.S. already has a stated policy of considering license applications for oil-related projects that would benefit the SNC. This could be broadened to a general license and expanded to cover the northeast Self-Administration or Kurdish-controlled geographic areas.

From the perspective of Western companies and NGOs seeking to comply with sanctions, a geographically targeted sanctions lifting limited to only certain parts of Syria would be challenging to implement since corporate and NGO sanctions compliance programs are generally established on a country-level basis. However, over time, some increased Western NGO and commercial activities might flow into opposition-controlled areas pursuant to general licenses.

Scenario 2: Authorization for specific reconstruction projects in exchange for limited policy concessions: The U.S. and EU could provide authorization (via licenses) allowing U.S. and EU entities to engage in agreed specific projects in Syria, such as reconstructing agreed schools, power grids, hospitals, or other civilian infrastructure, in exchange for policy concessions by the Syrian

government. The U.S and EU could implement this lifting through project-specific licenses while keeping the overall framework for sanctions fully in place.

Scenario 3: Establishing a dedicated “humanitarian channel” or “reconstruction channel”:

The European Union could establish a dedicated “humanitarian channel” or “reconstruction channel” to enable the flow of specified goods and/or reconstruction assistance to Syria. Past experience with efforts to establish such humanitarian channels suggests they are extremely labor intensive for governments, which need to engage extensively with companies and financial institutions to encourage participation even after issuing all necessary licenses. In general, a humanitarian or reconstruction channel would need three parts:

- **A source of funding for the purchase of humanitarian goods and/or reconstruction assistance.** In principle, European governments could provide governmental resources for this, or could enable Syria to sell commodity products, notably oil, to provide funding for the channel.
- **A mechanism for the flow of money in and out of Syria:** Because the EU and U.S. have sanctioned the Syrian Central Bank and most major banks in Syria, the channel would need to identify a mechanism to legally move money in and out of Syria. This could be done by providing specific licenses for channel-related transactions through sanctioned banks, or by removing certain banks from targeted sanctions lists, or by establishing a new institution inside Syria to handle these transactions. However, even if relevant licenses were issued, major European banks would likely require significant engagement by both EU and U.S. sanctions enforcers before handling transactions related to the channel.
- **Assurances that the humanitarian goods and/or reconstruction assistance would not benefit sanctioned entities, and likely the lifting of certain targeted sanctions or licenses enabling the channel to transact with certain Syrian entities subject to targeted sanctions.** Given that EU and U.S. sanctions have targeted major economic actors in Syria, including port operators and major Syrian companies, the channel would likely need to include licenses enabling transactions with such entities as necessary for channel-related work, or to provide due diligence and assurances that the channel-related work does not involve specifically sanctioned entities.

The EU would likely require at least quiet U.S. support for such a channel, including waivers of the Caesar Act’s secondary sanctions and U.S. engagement with financial institutions to provide assurances that participation in the channel would not trigger U.S. sanctions. It also could require certain licenses related to the channel. While the EU has taken steps to create a mechanism resilient to U.S. sanctions in the Iran context, INSTEX, that mechanism has yet to demonstrate that it can handle large-scale, commercially significant transactions. In addition, in order to minimize the threat of U.S. secondary sanctions, to date INSTEX will only handle transactions that are actually compliant with U.S. secondary sanctions and will not handle transactions, such as oil trade, or trade with Iranian companies that are subject to U.S. targeted sanctions, that violate U.S. secondary sanctions.

Scenario 4: Targeted delisting of individual businessmen and companies that cooperate with the international community: Under existing U.S. and EU sanctions regulations, individuals

and companies subject to targeted sanctions have the ability to petition to be removed from sanctions lists on the grounds that they have credibly ceased to engage in the activity for which they were sanctioned. The U.S. and EU could pursue a policy of removing from sanctions lists government officials and businessmen who start cooperating with the international community on agreed reforms within Syria.

Scenario 5: The EU lifts most sanctions in response to political reforms or other concessions by the Syrian government; the U.S. would terminate most secondary sanctions but would keep primary sanctions in place: The EU could offer a significant lifting of sanctions in exchange for specified political reforms. For example, the EU could offer to generally relax sanctions on the reconstruction of Syria's oil sector, on Syrian oil sales, and/or relax the targeted sanctions on Syrian ports, in exchange for a significant set of political reforms or other concessions by the Syrian government. The U.S. could keep most primary sanctions in place and generally not allow U.S. companies to do business in Syria. However, the U.S. would execute waivers under the Caesar Act and signal publicly that it would not sanction non-U.S. businesses that enter into business in Syria. Based on past examples of sanctions lifting, including Iran during the JCPOA, this scenario would likely enable Syria to export major cash-earning exports, such as oil, and resume purchases of European machinery, vehicles, and other equipment. However, major European banks would be unlikely to process financial transactions related to Syria, at least in the initial stages, increasing costs of trade. Major European companies would also likely refrain from making significant investments in Syria during at least the initial stages of this type of sanctions easing, given legal and sanctions risks, compliance costs, and concern about whether the U.S. would reimpose secondary sanctions on Syria.

Scenario 6: Partial lifting of both EU and U.S. sanctions in return for significant political concessions by the Syrian government: In this scenario, both the U.S. and the EU would lift significant categories of sanctions on Syria in return for major political reforms or other concessions. This would be similar to Scenario 5 but would also include a limited lifting of U.S. primary sanctions. Like the scenario above, it would include a lifting of both embargo-type sanctions and targeted sanctions on companies and entities needed to enable trade and investment flows. This scenario would probably provide somewhat more confidence for Western companies considering investing in or doing business with Syria than Scenario 5.

Scenario 7: Comprehensive suspension and later termination of substantially all sanctions in exchange for a comprehensive U.S.-EU agreement with Syria: In this scenario, the U.S. and EU would agree to lift substantially all sanctions on Syria in response to a comprehensive agreement that addressed a range of U.S. and European concerns with Syria. In order to promote compliance and implementation, in such an agreement sanctions would likely first be suspended for a finite period of time following initial steps by the Syrian government and subsequently terminated following further such steps.

VII. PAST EXAMPLES OF SANCTIONS LIFTING

The U.S. and/or EU have engaged in a number of sanctions-lifting programs over the past 15 years, including full or partial liftings of sanctions on Iran, Sudan, Libya, Cuba, and Myanmar, among

others. Short case studies of three of these cases are provided in Annex 3. In general, a review of recent cases of sanctions lifting suggests at least five lessons:

First, sanctions lifting is likely to take time. In past cases of both U.S. and EU sanctions lifting, sanctions relief generally only occurred following multiple years of diplomatic negotiations and confidence-building steps.

Second, even in “big for big” scenarios, parties should expect that there will be some phasing-in of sanctions relief: The Iran nuclear deal, the sanctions relief on Libya, the sanctions lifting on Myanmar, and the sanctions lifting on Sudan all involved a two-step or multi-step process. Furthermore, even after most sanctions are lifted, some specific individuals and entities, such as military officers specifically involved in serious human rights abuses, may continue to be subject to targeted sanctions.

Third, sanctions lifting will likely take high-level policy interest and diplomacy from the U.S. The Iran, Sudan, and Myanmar cases occurred because a new U.S. president sought to overhaul U.S. policy toward a target country, and the Libya example required high-level direction from President George W. Bush. Absent senior-level interest and direction, inertia on the U.S. side is likely to prevent serious diplomatic negotiations leading to policy change by Syria and sanctions relief from the U.S. and Europe.

Fourth, Syria will have to make significant concessions on multiple policy issues in order to obtain significant U.S. sanctions relief, but sanctions relief may be possible even with the current Syrian government in power. Both the Sudan and Libya cases, for example, required concessions on multiple policy issues, including WMD programs and support for terrorism, though sanctions relief was ultimately provided without a change in either nation’s government. The JCPOA included substantial Iranian commitments to alter its nuclear commitment, including intrusive international inspections.

Fifth, the U.S. president likely has significant latitude to decide what policy interests and concessions to seek in exchange for lifting sanctions. Across cases of U.S. sanctions easing, sanctions generally have been imposed for myriad stated policy reasons, but U.S. presidents nonetheless generally have been able to offer significant sanctions relief even though concessions offered by the sanctions target—while significant—did not fully address every original stated policy reason for the sanctions.

ANNEX 1: SANCTIONS TERMS OF ART

This paper uses several sanctions terms of art throughout: “primary sanctions,” “secondary sanctions,” “targeted sanctions,” “blocking sanctions,” “embargo-type sanctions,” and “licenses.” For the purposes of this paper, these terms are defined below:

- **Primary sanctions:** “Primary sanctions” are restrictions that a government imposes on its own citizens and companies and the use of its companies and products. For example, a U.S. sanction that prohibits American companies from investing in Syria, or from buying Syrian goods, is a primary sanction. Similarly, a U.S. sanction that freezes the assets of a specific Syrian company in the U.S. and prohibits American companies from doing business with that company is a primary sanction. Finally, a prohibition on using the U.S. financial system to process payments is a primary sanction, since it applies to the use of the U.S. financial system, even if the transactions would be initiated by European or other non-U.S. banks.
- **Secondary sanctions:** “Secondary sanctions” are restrictions that a government imposes to coerce third-country citizens and companies into stopping business with a sanctions target. For example, a U.S. sanction that penalizes a European company for purchasing Syrian oil would be a secondary sanction. Similarly, a U.S. sanction against a European bank that sent money to Syria without those funds’ using the U.S. financial system would be a secondary sanction.
- **Targeted sanctions or blocking sanctions:** “Targeted sanctions” refers to a government’s designation of specific individuals, groups of people, or governments/government agencies for sanctions. Targeted sanctions generally freeze the assets of the target (assets inside the country that imposes the sanctions) and prohibit the sanctioning country’s companies and individuals from doing business with the target. Because these sanctions generally involve an asset freeze, in the U.S. they are often referred to as “blocking sanctions.” In addition, targeted sanctions against individuals (as opposed to companies) often ban an individual target from traveling to the country imposing the sanctions.
- **Embargo-type sanctions:** “Embargo-type” sanctions are sanctions that restrict trade in products or services with a target, e.g., exports and imports. Embargo-type sanctions can be either comprehensive, e.g., an embargo on all or substantially all trade with a target country, or they can be limited to certain categories of products or services, such as a restriction on oil imports.
- **Licenses:** “Licenses” are exceptions to sanctions that allow specified kinds of business to continue. “General licenses” refer to publicly released licenses that any eligible individual or company can take advantage of. For example, a U.S. general license currently allows any U.S. individual or company to sell certain food and medicine to Syria without having to seek specific U.S. government permission. “Specific licenses” are those that allow only a named individual or company to engage in specific trade and which companies seeking to engage in trade must generally apply for individually. For example, a U.S. tech company could seek a specific license to allow the company sell specific products to Syria, even while other U.S. tech companies could not legally sell such products to Syria.

ANNEX 2: LIFTING CRITERIA FOR U.S. SANCTIONS

Primary sanctions: In general, the U.S. executive branch possesses a significant degree of flexibility to modify, suspend, or terminate many primary sanctions on Syria, including the economically significant sanctions that have been imposed since the start of the Syrian civil war in 2011. However, the U.S. executive branch retains less flexibility to modify, suspend, or terminate some primary sanctions on Syria unless the president can certify that Syria has met specified criteria or unless the president is prepared to invoke national security waivers that exist in the relevant legislation. In general, the restrictions on lifting the different categories of sanctions are:

- **Prohibition on official government assistance to Syria:** The president generally cannot provide official U.S. government assistance to the Syrian government or support lending by international financial institutions to Syria until the U.S. removes Syria from the “State Sponsors of Terrorism” list. In addition, under the Syria Accountability Act, the president cannot provide the Syrian government with foreign assistance until the president has certified that Syria has ceased its support for terrorist groups, is respecting Lebanese sovereignty, and meets other criteria. (There are also national security waiver provisions in the law that the president could use to resume foreign assistance to Syria without making the required certification, if the president determined that it is in the national security interest of the U.S. to do so.)
- **Arms embargo:** The president generally cannot lift the arms embargo until the U.S. removes Syria from the SST list and issues a waiver under the Syria Accountability Act. Under the Syria Accountability Act, the president is authorized to issue a waiver if he or she determines that it is in the U.S. national interest to do so and provides a report to relevant congressional committees.
- **Ban on the export of most U.S.-origin goods to Syria:** The president generally cannot lift the ban on the export of most U.S.-origin goods to Syria until the president certifies under the Syria Accountability Act that Syria has ceased its support for terrorism, as defined under the statute, respects Lebanese sovereignty, and meets other criteria. However, the U.S. president could also issue a waiver of the ban if he or she determines that it is the U.S. national interest to do so and provides a report to relevant congressional committees.
- **Ban on the export of U.S. services to Syria:** The president has broad legal authority to suspend or terminate the ban on the provision of U.S. services to Syria.
- **Financial and investment restrictions:** The president has broad legal authority to suspend or terminate the ban on providing financial services to Syria and the ban on making new investments in Syria. (However, the state sponsor of terrorism designation does require certain limited financial restrictions on the Syrian government.)
- **Ban on the import of Syrian petroleum and trading/dealing in Syrian petroleum:** The president has broad legal authority to suspend or terminate the ban on importing Syrian petroleum and on trading or otherwise dealing in Syrian petroleum.

- **Sanctions on the Syrian government and Syrian government ministries/agencies:** The president has broad legal authority to suspend or terminate most sanctions on the Syrian government, Syrian government ministries and agencies, and Syrian state-owned companies, including the key economic actors like the Syrian Central Bank and state-owned oil companies and port operators. However, to remove certain ministries and agencies that have been sanctioned for their involvement in terrorism and/or WMD proliferation, the president would need to make various certifications about the Syrian government’s ceasing its involvement in terrorism and/or WMD proliferation.
- **Targeted sanctions:** The president has broad legal authority to suspend or terminate the targeted sanctions on specific Syrian businessmen, on both state-owned and privately owned businesses, and on various other political leaders in Syria. However, for individuals sanctioned for involvement in Syria’s support of terrorism and/or chemical weapons, the U.S. would either need to generally find that Syria had ceased its support for terrorism and/or chemical weapons to terminate the targeted sanctions, or certify that a specific sanctions target had terminated his/her support for terrorism and/or Syria’s chemical weapons program.

In addition to the broad legal authority the U.S. president has to terminate categories of targeted sanctions, individual sanctions targets generally have the ability to petition on an individual basis for the removal of sanctions based on a change in their individual behavior. For example, if an individual was sanctioned for supporting the Syrian government in general, and that individual broke from the government, that individual could be eligible to petition to have the targeted sanctions on him or her terminated.

- **Travel bans:** The president has broad legal authority to suspend or terminate the travel ban that President Trump imposed on citizens from Syria (and other countries) coming to the United States. For persons subject to targeted sanctions, absent the broad travel ban, the person would generally again become eligible to travel to the U.S. if he or she is removed from U.S. targeted sanctions lists.

Caesar Act/secondary sanctions: The U.S. executive branch has a degree of flexibility in interpreting aspects of the Caesar Act secondary sanctions that will enable the executive branch to mitigate unintended consequences and potentially allow certain activity that the U.S. determines is in its national interest. For example, the executive branch likely could determine that certain types of humanitarian and civilian reconstruction projects, such as the reconstruction of schools, hospitals, and historical buildings, did not constitute “significant” transactions with the Syrian government, even if the buildings were government-owned or the reconstruction otherwise involved the Syrian government. While this interpretive flexibility would not represent a formal “lifting” of the Caesar Act sanctions, it could be used to authorize certain limited projects without having to invoke the Caesar Act’s waiver provisions.

The Caesar Act authorizes the president to waive application of the sanctions imposed under the act against non-U.S. companies and people for up to 180 days (renewable) if the president determines that doing so is in the national security interest. The Obama administration used similar waiver authorities in U.S. sanctions on Iran to implement the JCPOA nuclear agreement.

The Caesar Act also authorizes the president to more broadly suspend the sanctions for up to 180 days (renewable) after certifying that the Syrian government (a) has stopped bombing Syria’s civilian population; (b) is allowing humanitarian access; (c) is releasing political prisoners and allowing international access to prisons; (d) has stopped targeting civilian locations for attacks; (e) is taking steps to dismantle its chemical weapons program; (f) is allowing Syrian refugees to return to Syria; and (g) is taking steps to provide for accountability for documented human rights abuses and war crimes, including those committed by the Syrian government.

Finally, the Caesar Act will “sunset” in December 2024, five years after enactment, unless renewed by a new law passed by Congress.

ANNEX 3: CASE STUDIES OF SANCTIONS LIFTING

Iran/JCPOA: The JCPOA nuclear deal with Iran that went into effect in 2016 represents a scenario of partial sanctions lifting in return for partial concessions: Iran made significant concessions on its nuclear program, but it did not make concessions on its support for U.S.-designated terrorist organizations such as Hezbollah or other destabilizing activities in the Middle East. In exchange, the U.S. lifted its secondary sanctions and the European Union lifted most EU sanctions on Iran; most U.S. primary sanctions remained in place, prohibiting most U.S. business with Iran, and a comparatively small number of European Union targeted sanctions remained in place. In addition, the UN terminated most of its sanctions on Iran. (Numerous other countries, such as Australia and Canada, also terminated sanctions they had imposed on Iran.) The JCPOA came after a smaller, interim agreement, the Joint Plan of Action (JPOA), which was announced in 2013 and offered Iran sharply limited sanctions relief in exchange for limited nuclear commitments.

As part of the JCPOA, the U.S. terminated major categories of secondary sanctions that had prohibited non-U.S. companies from engaging in trade with key Iranian economic sectors, including oil transactions, transactions with Iran's shipping, shipbuilding, and ports sectors, and sanctions prohibiting the manufacture of automobiles in Iran. The U.S. terminated secondary sanctions against financial transactions with the Central Bank of Iran and other major Iranian banks, and the U.S. removed more than 400 people, companies, and entities from the U.S. targeted sanctions lists. However, U.S. sanctions continued to largely prohibit trade between the U.S. and Iran: The U.S. continued to prohibit most U.S. exports to Iran other than food and medicine, though the U.S. did adopt a policy of authorizing the sale of civilian aircraft to Iran on a case-by-case basis. (As a practical matter, no U.S. aircraft were sold to Iran before President Trump terminated U.S. participation in the JCPOA, though European companies sold a small number of aircraft to Iran that used significant U.S.-origin component parts.) In addition, the U.S. authorized imports of Iranian carpets and pistachios as a type of goodwill gesture, but the U.S. continued to prohibit the import of other Iranian products, such as oil and metals.

As part of the JCPOA, the EU terminated most of its sanctions on Iran, keeping in place only an arms embargo and a set of targeted sanctions against specific Iranian individuals and entities involved in terrorism and other illicit activities. These remaining targeted sanctions generally did not include major companies or economically critical government ministries.

Although Iran argued throughout the JCPOA period (2016-2018) that the U.S. and EU failed to deliver promised sanctions relief, economic and trade statistics show that the deal did provide meaningful economic benefits to Iran. For example, the World Bank estimated that Iranian GDP grew more than 13% in 2016, the first year the JCPOA was in force, and more than 4% in 2017, before contracting in 2018 and 2019 as the U.S. pulled out of the nuclear deal. EU trade in goods and services with Iran grew sharply in 2016 compared with 2015.⁵ According to the Iranian press, Iran's oil exports increased by nearly 80% in 2016 compared with 2015.⁶ However, major European banks generally continued to avoid doing business with Iran during the JCPOA period, driving up costs for exporters and importers and limiting investment flows to Iran.

⁵ <https://ec.europa.eu/trade/policy/countries-and-regions/countries/iran/>

⁶ <https://en.isna.ir/news/96041708948/Iran-s-oil-exports-increase-by-77-percent-in-2016>

Sudan: U.S. sanctions on Sudan began in the 1980s with a series of restrictions on U.S. military and foreign assistance provided to the government of Sudan (with exceptions for humanitarian assistance) due to the civil war that broke out in the 1980s. In 1990, USAID suspended nonhumanitarian assistance to Sudan in response to Omar Bashir's 1989 coup against the civilian government of Prime Minister Sadiq al-Mahdi. The U.S. designated Sudan as a state sponsor of terrorism in 1993, and in 1997 President Clinton imposed comprehensive sanctions on Sudan, blocking the Sudanese government and banning most trade and financial transactions with the country, citing Sudan's sponsorship of terrorism and its human rights abuses. In announcing the sanctions, Secretary of State Madeleine Albright cited Sudan's "continued sponsorship of international terror, its effort to destabilize neighboring countries, and its abysmal record on human rights — including religious persecution."⁷ In the 1990s and 2000s the U.S. government also imposed targeted sanctions on a variety of Sudanese government officials, ministries, and companies over human rights, terrorism, and other concerns.

In 2009, President Barack Obama laid out a new U.S. policy toward Sudan that offered potential large-scale sanctions lifting in exchange for three priorities: implementing a 2005 peace agreement that set the stage for a referendum on independence in South Sudan, cooperation on terrorism, and ending the conflict in Darfur. The stated policy required progress on all three issues before normalizing relations.

Over the following several years, Sudan made progress on two of the three issues: South Sudan gained independence in 2011, and Sudan increased its cooperation with the U.S. on counterterrorism issues. Following several years of negotiations with the U.S. government, in January 2017 President Obama announced that the U.S. would suspend most U.S. sanctions on Sudan for a period of six months, citing the reduction in civil conflict and improvements in counterterrorism cooperation. In October of 2017 the Trump administration announced that it would terminate the majority of sanctions. As of January 2020, Sudan remained on the state sponsors of terrorism list, although the U.S. government has said publicly that it is negotiating with Sudan to potentially end the SST designation.

The economic impacts of the U.S. sanctions lifting on Sudan are hard to assess, since the sanctions were terminated comparatively recently and Sudan has seen significant political turmoil over the past year. Although the SST designation does not restrict most trade and investment between the U.S. and Sudan, Sudan assesses that the ongoing designation increases risk aversion by companies and that the U.S. opposition to international financial institutions' support for Sudan greatly complicates Sudanese efforts to address/restructure its external debts.

Libya: The U.S. imposed comprehensive sanctions on Libya in 1986 in response to Libyan terrorism and its pursuit of chemical and nuclear weapons. Sanctions included a ban on most trade and financial transactions between the U.S. and Libya and blocking Libyan government assets in the United States. Following the 1988 airliner bombing over Lockerbie, Scotland, and Libyan involvement in the bombing of UTA Flight 772 to Paris in 1989, in 1992 the U.N. Security Council imposed certain sanctions, including an arms embargo, on Libya. These U.N. sanctions were tightened in 1993, with the U.N. citing Libya's support for terrorism and noncompliance with the

⁷ <https://1997-2001.state.gov/statements/971104.html>.

1992 U.N. Security Council resolutions. In 1996, the U.S. Congress passed the Iran-Libya Sanctions Act (ILSA), which, among other provisions, directed the U.S. president to sanction non-U.S. companies making certain investments in Iran's and Libya's energy sector, the first major instance of U.S. secondary sanctions.

In 1999, Libya began to make a strategic shift in its international relations, handing over two suspects in the Lockerbie bombing to face trial in the Netherlands, and Libya apparently offered during secret discussions with the U.S. to end Libya's chemical weapons program. In response to the handing over of the Lockerbie suspects, the U.N. suspended its sanctions on Libya.

While Libya covertly continued its chemical weapons program in the early 2000s, it also entered into negotiations to end its chemical and nuclear programs and in 2004 began to dismantle those programs. Libya also began to negotiate a financial settlement with victims of the Lockerbie bombing. In April 2004, the U.S. suspended the ILSA's application to Libya as well as certain other sanctions, and in September 2004, the U.S. terminated most remaining sanctions, including those originally imposed in 1986. However, Libya remained on the state sponsor of terrorism list until 2006, when the U.S. also restored full diplomatic ties with Libya. In 2008, Libya paid \$1.5 billion to the victims of the Lockerbie bombing.

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