

SYRIA: U.S. SANCTIONS

by The Swedish Club and Reed Smith LLP
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WHO DO THE U.S. SANCTIONS APPLY TO?

U.S. PERSONS

United States sanctions in respect of Syria apply to “U.S. persons,” which include U.S. citizens and permanent resident aliens, persons physically located in the United States (regardless of citizenship), and entities organized under the laws of the United States (and their foreign branches).

NON-U.S. PERSONS

The U.S. sanctions against Syria have extraterritorial effect in certain circumstances, meaning that they can apply to non-U.S. persons. Additionally, non-U.S. persons must ensure they are not using U.S. dollars or U.S. banks for Syria-related trade.

LEGAL FRAMEWORK

Executive Orders

- 13894 – Blocking Property and Suspending Entry of Certain Persons Contributing to the Situation in Syria (October 14, 2019).
- 13608 – Prohibiting Certain Transactions With and Suspending Entry Into the United States of Foreign Sanctions Evaders With Respect to Iran and Syria (Effective Date – May 1, 2012).
- 13606 – Blocking the Property and Suspending Entry Into the United States of Certain Persons With Respect to Grave Human Rights Abuses by the Governments of Iran and Syria via Information Technology (Effective Date – April 23, 2012).
- 13582 – Blocking Property of the Government of Syria and Prohibiting Certain Transactions with Respect to Syria (August 18, 2011).
- 13573 – Blocking Property of Senior Officials Of The Government of Syria (May 18, 2011).
- 13572 – Blocking Property of Certain Persons with Respect to Human Rights Abuses in Syria (April 29, 2011).
- 13460 – Blocking Property of Additional Persons in Connection With the National Emergency With Respect to Syria (February 15, 2008).
- 13399 – Blocking Property of Additional Persons in Connection With the National Emergency With Respect to Syria (Effective Date – April 26, 2006).
- 13338 – Blocking Property of Certain Persons and Prohibiting the Export of Certain Goods to Syria (Effective Date – May 12, 2004).

Statutes

- Caesar Syria Civilian Protection Act of 2019 (Sections 7404-7438 of the National Defense Authorization Act for Fiscal Year 2020).
- Iran Threat Reduction and Syria Human Rights Act of 2012 (H.R. 1905 (PL 112-158)).
- Antiterrorism and Effective Death Penalty Act of 1996 (AEDPA), 18 U.S.C. § 2332d.
- International Emergency Economic Powers Act (IEEPA), 50 U.S.C. §§ 1701-1706.
- National Emergencies Act (NEA), 50 U.S.C. §§ 1601-1651.
- Section 5 of the United Nations Participation Act of 1945 (UNPA), 22 U.S.C. § 87c.

Code of Federal Regulations

- 31 C.F.R. Part 542 – Syrian Sanctions Regulations
- 31 C.F.R. Part 569 – Syria-related Sanctions Regulations

Federal Register Notices

- 85 FR 34510 – Syria-related Sanctions Regulations
- 80 FR 19532-15 – Publication of Final Rule to authorize by general license certain activities relating to publishing.
- 79 FR 25414-14 – Publication of Final Rule in the Federal Register, Amending and reissuing in their entirety the Syrian Sanctions Regulations.
- 71 FR 29251-06 – Revisions to IEEPA made by the Combating Terrorism Financing Act of 2005.
- 70 FR 17201-05 – New regulations to implement Executive Order 13338.

WHAT IS PROHIBITED FOR U.S. PERSONS?

- The direct or indirect exportation or reexportation of goods (regardless of where they originate), and technology to the Government of Syria (except for food and medicine classified as EAR99). The exportation or reexportation of U.S. origin goods, except food or medicine classified as EAR99, to Syria.
- The provision of services to Syria or the Government of Syria.
- All property and interests in property held by the Government of Syria are blocked. This means U.S. persons cannot deal in property belonging to the Government of Syria (or any other Specially Designated National).
- New investment in Syria by a U.S. person, wherever located.
- The importation into the United States of petroleum or petroleum products of Syrian origin.

- Any transaction by a U.S. person, wherever located, in or related to petroleum or petroleum products of Syrian origin.

WHAT SANCTIONS APPLY TO NON-U.S. PERSONS)?

- Executive Order 13582, “Blocking Property of the Government of Syria and Prohibiting Certain Transactions with Respect to Syria,” blocks property located in the U.S. of any person who is determined to “...have materially assisted, sponsored, or provided financial, material or technological support for, or goods and services in support of” the Government of Syria. OFAC has previously designated non-U.S. entities and vessels that it determined materially assisted the Syrian Government by engaging in transactions involving gas oil and liquefied petroleum gas cargoes.
- The Caesar Act targets persons providing “significant financial, material, or technological support to, or knowingly engag[ing] in a significant transaction with the Government of Syria, including the [Central Bank of Syria] CBoS, or certain other persons sanctioned with respect to Syria.” Accordingly, carrying cargo to or from Syria can present a risk of sanctions to non-U.S. persons.
- Non-U.S. persons may not export or re-export U.S. origin goods to Syria, with the exception of food or medicine classified as EAR99.
- Non-U.S. persons must not use U.S. dollars or U.S. banks for transactions involving or related to Syria.

In light of these sanctions, Members are encouraged to conduct thorough due diligence to ensure that they are not offered to carry prohibited cargoes to or from Syria. Furthermore, to avoid a risk of violating sanctions laws, Members should become familiar with OFAC’s 2020 Guidance to Address Illicit Shipping and Sanctions Evasion Practices.

Disclaimer: This Member Alert is intended to provide only general guidance and information pertaining to the issues identified and commented upon herein. The content of this Alert is not intended to be, and should not be treated as being final and binding legal advice. If Members consider they are likely to or in fact have encountered problems or difficulties as discussed in this Alert, they are asked to contact the Club and obtain further legal advice relevant to their specific circumstances.