The Winding Down of the EU's Syria Sanctions:

Commission FAQ Opens Pathway for Renewed Banking and Trade

EU – November 2025

The European Commission's November 2025 "Frequently Asked Questions – EU sanctions concerning Syria" (FAQ) does not alter the underlying legal acts, which the EU adopted back in February and May of 2025. Instead, it explains how the EU's postAssad regime is meant to operate in practice, with a particular focus on project finance, humanitarian activities, banking, trade in certain goods and legacy contracts.[1]

Humanitarian Activities and "Derisking"

The commission recognises that, even after the lifting of sector-wide sanctions and the introduction of ample exemptions, many organisations have struggled to persuade banks and other private partners to process Syria-related transactions. It therefore encourages humanitarian, development and other economic actors to help banks and suppliers to carry out transactions that are not prohibited by providing them with relevant legal references, copies of donor comfort letters, internal risk assessments and mitigation measures, as well as any certifications that they might hold. For organisations looking to expand their activities, this amounts to a practical strategy for tackling residual derisking and for building a paper trail showing that their operations fit within the current EU framework regarding Syria.

International Financing and Project Work

The commission goes on to speak directly to the role of International Financing Institutions, which were either created by EU treaties, or which carry out EU-funded projects (i.e. the European Investment Bank and the European Bank for Reconstruction and Development). While these institutions, like all EU operators must continue to abide by the EU's sanctions framework, they are free to finance projects in areas that are not specifically prohibited under the Syria regime. This is to say that there is no blanket prohibition on funding projects in Syria. The only limitation is that EU funds most not end up, either directly or indirectly, in the hands of EU designated entities, unless a specific exception or license applies.

Businesses have two very practical takeaways from this clarification: firstly, they can expect projects backed by these international institutions in Syria to become more common, particularly in matters of infrastructure, energy and public services, as well as other reconstruction priorities; secondly, their compliance departments can rest assured that principal sanctions related risk that might arise from operations there do not arise from Syria, but from whom their counterparties might be or whom they might be indirectly associated with. The real focus for business should therefore be on careful screening of potential Syrian partners and beneficiaries, as well as on designing due diligence procedures that reflect this new reality.

Banking Relationships and Payment Flows

The new FAQ clarifies what banking links with Syria can now look like. EU banks are now allowed to open accounts in Syria, set up correspondent banking relationships with Syrian banks, form joint ventures with Syrian financial institutions and even open branch offices in Syria. These possibilities had been somewhat implied when the EU lifted its sector-wide banking sanctions, but the FAQ now spells them out, making it clear that such arrangements are, in principle, acceptable under EU law so long as the remaining targeted restrictions are observed. However, businesses must continue to respect anti-money-laundering and counter-terrorist-financing rules.

The FAQ confirms that the use of specialist financial messaging systems, such as the Society for Worldwide Interbank Financial Telecommunication (SWIFT) network, is not limited by the Syria sanctions. EU-based providers may continue to offer these services, and companies may execute bank transfers with Syrian banks using SWIFT codes. This point matters because, in practice, the lack of access to SWIFT has often been treated as a convenient shorthand for "being sanctioned". The commission's clarification removes that assumption as far as EU law is concerned and reinforces the broader message that, subject to the remaining targeted measures, normal banking channels with Syria can be reopened.

Having said all this, some specifics caveats need to be pointed out. Although transfers to or from Syria are now "generally permitted", payments will remain blocked in three specific cases: if it benefits a designated person or entity on the EU's sanctions list; if it goes to, or through, a Syrian bank that is still subject to EU restrictive measures; or if the transaction is tied to goods or services which are still prohibited pursuant to the Syria sanctions rules.

Trade-in Goods and Sectoral Opportunities

The FAQ also gives straightforward guidance on several types of goods that matter from a reconstruction and trade perspective. It explains that the export of ordinary industrial machinery, as well as their related components, spare parts and technical services from the EU to Syria are allowed, so long as they do not appear in the updated annexes to Regulation 36/2012 nor classified as dual-use goods. In practice, this creates room for manufacturers and engineering companies to supply, subject to the usual export-control checks, equipment and services to the Syrian market.

1 European Commission, "Frequently Asked Questions – EU sanctions concerning Syria, November 2025 update".

On the other side of the trade equation, the commission confirms that businesses may now import agricultural products, goods from Syria's forestry and fishing sectors, as well as Syrian handcrafted goods into the EU. There are no sanctions-related restrictions on the transport or financing of this trade, provided that the goods are not being purchased from an EU designated person or entity. This clarification gives agri-food traders, retailers and logistics providers who wish to re-engage with Syrian suppliers a firmer legal footing.

Legacy Contracts and Dispute Risk

Finally, there is the question of interested parties wishing to reengage with Syria, but frightened by any contractual loose ends they might have left behind when the EU's Syrian sanctions came into force in the wake of the 2012 Arab Spring protests. The new FAQ sheds useful light on this question also. According to the commission, EU sanctions compliance takes precedence over any private agreement: if a contractual obligation between an EU operator and a Syrian counterparty conflicted with the newly imposed sanctions, they "could not and should not" have been carried out. EU operators were protected from any legal consequences stemming from this non-performance by Article 27 of Regulation 36/2012.

At the same time, the FAQ is careful to stress that the introduction of sanctions did not, by itself, automatically cancel those contracts. The parties were expected to sort out their contractual positions when performance became no longer legally feasible under EU law. In such cases, the contract could effectively be put on hold for as long as the sanctions lasted. Now that the relevant restrictions have been lifted, those contracts can, in principle, be taken up again, so long as the law governing said contracts allows for such a resumption.

Most strikingly, the commission gives a firm interpretation of Article 27 in relation to claims for damages. It states that claims brought by persons covered by Article 27(1)(a) to (c), which includes Syrian individuals or entities and anyone who was or is listed in the relevant annexes, should not be upheld, even by national courts, where they relate to contracts or transactions whose performance was affected while the sanctions were in force. This protection will continue to apply even if the claim is filed after 28 May 2025.

Interaction with US Sanctions

Finally, the FAQ touches on the relationship between the EU and the US sanctions in the Syrian context. It reiterates the EU's standard position that operators under the jurisdiction of an EU member state, or carrying out operations in the EU, are required to comply with EU sanctions; compliance with US sanctions is, from the standpoint of EU law, a matter of choice rather than obligation for such operators. The FAQ also recalls that the EU does not recognise the extraterritorial application of thirdcountry laws and considers such application contrary to international law.

Next Steps for Businesses

Against this background, our international trade, sanctions and export-controls team is ready to help clients navigate the new EU framework on Syria and its interaction with US and UK rules. We can identify and document where your business may be exposed across group structures, supply chains, banking relationships and older contracts, as well as help you reshape internal policies, due-diligence checks and trade-finance arrangements so that they remain both workable in practice and compliant with sanctions. We also assist boards and senior management in setting strategy and risk-management plans for renewed engagement with Syria, in designing and recording banking and payment structures, and in updating contractual protections for new or revived projects. Where needed, we can engage with regulators, national authorities and international financial institutions on licensing, wind-down and enforcement issues, so that you can resume or expand Syria-related activities in a controlled way while preserving access to key markets, partners and financial channels.

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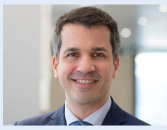

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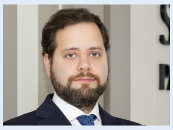

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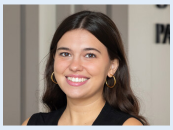

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