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U.S. Plans to Remove Syria From Terrorism Sponsor List

The governor of Syria's Central Bank says the Trump administration's move 'marks a positive turning point for Syria's economic recovery'

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Syrian President Ahmed al-Sharaa and President Trump meeting on the sidelines of the NATO Summit in Ankara, on Wednesday. PHOTO: AFP VIA GETTY IMAGES

President Trump notified Congress Wednesday of his administration's intent to rescind Syria's designation as a State Sponsor of Terrorism, setting in motion a 45-day process to remove the last major legal barrier to full U.S. commercial re-engagement with the country.

Secretary of State Marco Rubio said the decision followed positive counterterrorism actions by Syria's new government and formal assurances from President Ahmed al-Sharaa that Syria wouldn't support acts of international terrorism.

"Lifting sanctions on Syria will unlock international trade and investment, give Syria a chance to rebuild, and open up a new chapter for the Syrian people," Rubio said.

On the sidelines of the NATO summit in Ankara this week, Trump met al-Sharaa and sent him a letter promising to remove all barriers impeding reconstruction of his country, according to the Syrian presidency. Syrian Foreign Minister Asaad Hassan al-Shaibani said his country had closed "a dark chapter in its history," thanking Trump, Rubio and U.S. Ambassador Tom Barrack.

Syria's international rehabilitation has accelerated since rebel forces overthrew Bashar al-Assad in December 2024, ending more than five decades of Assad family rule. The U.S., EU and U.K. subsequently moved in parallel to dismantle the sanctions architecture built up against the Assad regime, with the Trump administration issuing an executive order directing broad sanctions relief in June 2025.

Additionally, Congress repealed the Caesar Act—which had placed statutory sanctions on Syria—in the FY2026 National Defense Authorization Act. The State Sponsor of Terrorism rescission is the final piece of that process.

Syria has carried the State Sponsor of Terrorism designation since 1979, initially for its support of Palestinian armed groups and later for its ties to Hezbollah and Iran. The designation underpinned a layered architecture of U.S. restrictions—including export controls, foreign assistance prohibitions, arms embargoes and financial restrictions—that persisted even as the U.S. progressively dismantled the Syrian sanctions regime following Assad's fall.

Lindsay Wardlaw, an international trade attorney and adjunct law professor at Georgetown University, said the rescission was "the last big hurdle for U.S. businesses to finally get comfortable reinvesting in Syria."

While OFAC's sanctions on Syria were largely lifted in June 2025, Wardlaw said, significant export controls have remained in place tied to Syria's Country Group E classification—the most restrictive category under the Export Administration Regulations, reserved for state sponsors of terrorism and embargoed countries.

Once Syria is removed from Country Group E, Wardlaw said, the Bureau of Industry and Security will be able to offer a more nuanced licensing strategy, likely placing Syria in Country Group D. In that group, exports of the most sensitive items still require a license but less sensitive goods may be exported without one, and more license exceptions become available.

The de minimis threshold for Syria will also rise from 10% to 25%, meaning more non-U.S. goods containing American components will be exempt from U.S. controls in the first place.

"Now they may be able to export, reexport, or transfer equipment, software, and technology that was previously off limits to Syria without seeking U.S. government approval," Wardlaw told Risk Journal. “Setting up an office, manufacturing facility, rig, or other infrastructure becomes viable, as does making sales of many dual-use items.”

Safwat Raslan, Governor of the Central Bank of Syria, welcomed the move, saying it “marks a positive turning point for Syria’s economic recovery, strengthens confidence, and opens the door to greater investment and financial reintegration.”

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