

## **United States imposes new sanctions against Syria – the Caesar Act**

**3<sup>rd</sup> July 2020**

On June 17, 2020, the United States enacted new sanctions against Syria in the form of the Caesar Syria Protection Act 2019 (the 'Caesar Act') which target the regime maintained by the government of the Syrian President, Bashar al-Assad. These new sanctions provide enhanced powers to freeze the assets of Syrian entities and / or any other individual dealing with those entities.

The Caesar Act forms part of the latest U.S. National Defence Authorization Act and specifically targets 39 individuals and firms. Furthermore, it has extra-territorial effect: the U.S. President is empowered to impose sanctions on foreign persons who knowingly provide significant financial, material, or technological support to or engage in a significant transaction with:

- The Government of Syria or its senior leaders;
- A foreign person who is a military contractor or mercenary in the Government of Syria or on behalf of the Government Syria, the Government of the Russian Federation or the Government of Iran; and / or,
- A foreign person subject to sanctions pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) with respect to Syria or any other provision of law imposing sanctions on Syria.

In addition, individuals may be sanctioned where they knowingly:

- Sell or provide significant goods, services, technology, information, or other support that significantly facilitates the maintenance or expansion of the Government of Syria's domestic production of natural gas, petroleum, or petroleum products;
- Sell or provide aircraft or spare aircraft parts used for military purposes in Syria for or on behalf of the Government of Syria to any foreign person operating in an area, directly or indirectly controlled by the Government of Syria, or foreign forces associated with the Government of Syria;
- Provide significant goods or services associated with the operation of aircraft that are used for military purposes in Syria for or on behalf of the Government of Syria to any foreign person operating in the areas; and / or,
- Provide, directly or indirectly, significant construction or engineering services to the Government of Syria.

Some of the sanctions that may be imposed on individuals found in breach of the Act are:

- The blocking and prohibition of all transactions in property and interests in property of the foreign person, if such property and interests in property are in the U.S. or in the possession of a person in the U.S.; and,
- Ineligibility to receive a visa to enter the U.S. or having an already existing visa revoked.

The newly adopted sanctions add up to the already existing Syria-related U.S. sanctions implemented at 31 C.F.R. part 542 (Syrian Sanctions Regulations), which prescribe for the freeze of the State assets (along with the assets of many companies and individuals), and a ban on exports, investments and transactions involving energy, oil and hydrocarbon products in Syria by U.S. citizens. When read together, it is expected that these penalties will further deter investment in Syria and worsen its economic condition, possibly creating the circumstances for a new wave of unrest.

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