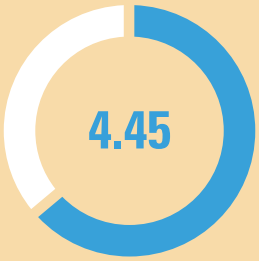
UNITED NATIONS
الاسكوا
ESCWA

Shared Prosperity Dignified Life

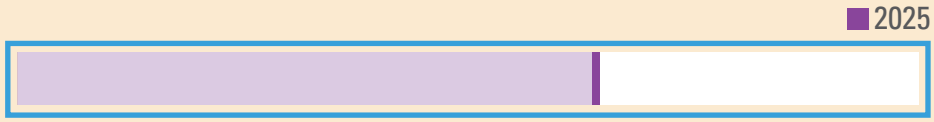
Country profile

SYRIAN ARAB REPUBLIC

ARAB BUSINESS LEGISLATIVE FRAMEWORKS



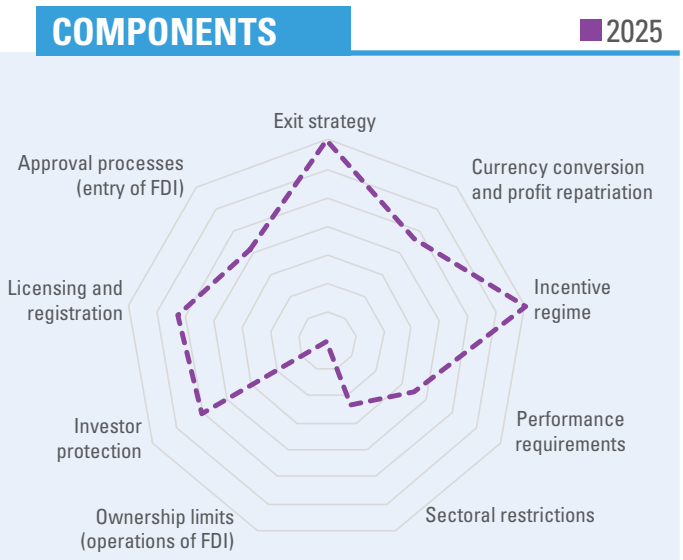
FOREIGN DIRECT INVESTMENT



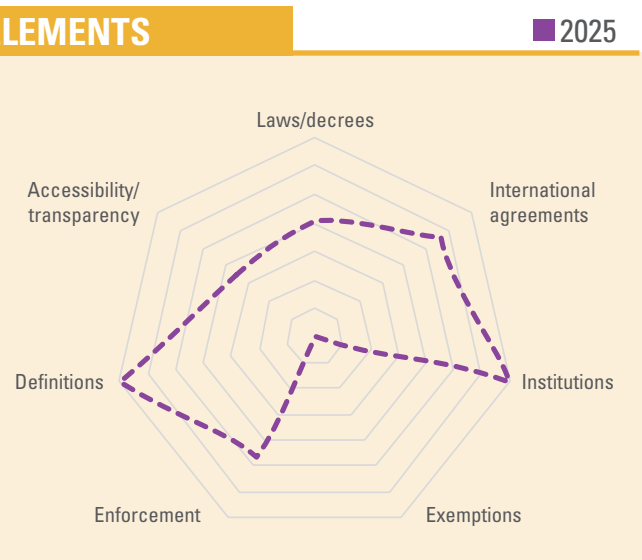
Very weak | Weak | Basic | Moderate | Developed | Strong | Very strong

COMPONENTS	2025
Approval processes (entry of FDI)	4.20
Licensing and registration	5.25
Investor protection	5.00
Ownership limits (operations of FDI)	0.00
Sectoral restrictions	2.33
Performance requirements	3.50
Incentive regime	7.00
Currency conversion and profit repatriation	4.67
Exit strategy	7.00

COMPONENTS



ELEMENTS



Note on methodology: The foreign direct investment (FDI) pillar was fully revised in 2023 following a legal and methodological review and first applied in the 2025 assessment. The 2020 edition assessed the macroeconomic enabling environment for investment. The revised methodology shifts to a business-conducting perspective, assessing the regulatory treatment of foreign investment.

2020 EDITION

Moderate

Foreign direct investment framework assessment

Macroeconomic enabling environment lens

The 2020 assessment examined whether the country's **macroeconomic policies** provided a stable foundation for investment, whether the **investment regulatory framework** set clear rules of engagement, how far **incentivization schemes** attracted foreign capital, the extent to which **bilateral treaties** offered investors legal certainty, and whether **banking regulations** enabled the financial operations required for investment.



Macroeconomic policies



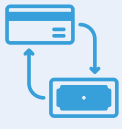
Investment regulatory framework



Incentivization schemes



Bilateral treaties



Banking regulations

This country profile is prepared based on the legal and regulatory framework in force as at April 2025.

This country profile assesses the foreign direct investment (FDI) framework of the Syrian Arab Republic based on the nine FDI assessment components adopted under the Arab Business Legislative Frameworks methodology. The analysis is structured to ensure that each component is examined against its specific definition and indicators, supported by relevant legal and regulatory evidence.

Foreign investment in the Syrian Arab Republic is governed by Law No. 18 of 2021 and its amendments under Law No. 2 of 2023, in addition to Decision No. 1596 issued by the Supreme Investment Council. This legal framework aims to enhance the competitive environment to attract foreign capital, increase employment opportunities, and achieve sustainable economic growth.



Approval processes

This assessment component examines the mechanisms and institutional arrangements governing the authorization of FDI, the applicable regulatory requirements, and the legal basis for international investment commitments and access to bank financing.

Articles 6 and 7 of Investment Law No. 18 of 2021 provide for the establishment of the Supreme Investment Council, entrusted with approving general investment strategies and plans, approving the national investment map, establishing special economic zones, reviewing investment-related legislation and regulations, granting approval to public authorities to establish joint companies with the private sector to implement investment projects, addressing obstacles facing the investment environment and investors, and following up on the implementation of approved strategies and plans. These functions constitute a central institutional mechanism for organizing, coordinating and monitoring regulatory policies related to investors.

In parallel, articles 8 and 10 of the law establish the Syrian Investment Agency, mandated to implement approved

investment plans, provide services to investors, and monitor the implementation of investment projects, thereby constituting an operational body responsible for supervising the execution of investment policies.

With regard to fees applicable to investors, the Supreme Investment Council is expressly empowered to determine the fees for services provided by the Syrian Investment Agency to investors and their allocation, pursuant to article 7. While this provision establishes a legal basis for imposing service-related charges within the approval and registration process, it does not specify whether such fees constitute registration fees, nor does it differentiate between domestic and foreign investors, or define the applicable amounts or procedures.

With regard to the legal framework governing bilateral and multilateral investment agreements, article 44 of Law No. 18 of 2021 provides that due regard shall be given, in applying the Investment Law, to the provisions of bilateral and multilateral international agreements related to investment and investment guarantees that are in force in the Syrian Arab Republic and concluded with other States or Arab and international organizations. In this context, the Syrian Arab Republic has concluded several bilateral investment agreements aimed at promoting foreign direct investment. This provision constitutes an explicit legislative recognition of the applicability of international investment agreements within the domestic investment approval framework.

However, the law does not establish a specific enforcement mechanism, nor does it designate a competent authority or define procedural rules to govern the invocation or direct effect of treaty obligations. This means that the legal guarantee takes the form of an obligation of consideration rather than a comprehensive enforcement regime.

With regard to access to banking and credit facilities, pursuant to article 28, investors are entitled to open bank accounts in Syrian pounds and foreign currency and to obtain credit facilities in both currencies from Syrian and foreign banks, in accordance with the decisions and instructions issued by the Monetary and Credit Council and the Central Bank of Syria. This provision establishes a statutory right of access to project financing.

However, the law does not expressly regulate the creation or registration of mortgages or other security interests in favour of lenders, nor does it specifically address the entitlement of foreign investors to provide collateral through real or movable property guarantees.



Licensing and registration

This assessment component reviews the legal and regulatory framework for the licensing and registration of foreign investment projects in the Syrian Arab Republic, with particular attention to transparency and predictability in administrative procedures, land use and ownership conditions, and streamlining of registration processes.

Restrictions related to superficies rights and land ownership are regulated under article 27, which entitles investors to own and lease lands and real estate needed for establishing or expanding an investment project within the limits of the project's needs, subject to obtaining the approval of the Supreme Investment Council in cases where ownership exceeds the prescribed ceiling.

The examined provisions of Law No. 18 of 2021 do not establish any minimum capital thresholds applicable to foreign investors as a condition for licensing or registration. Where applicable, minimum capital requirements are regulated under other sector-specific laws and regulations.

The streamlining of licensing and registration procedures is regulated under article 16, which establishes an Investor Services Centre within the Syrian Investment Agency, its branches, and the development and specialized zones, operating as a one-stop shop and comprising representatives of all public entities concerned with investment, with delegated powers determined by the competent authorities.

Under article 17, the Investor Services Centre's functions include receiving and examining applications for investment licenses, obtaining all required licenses and approvals in coordination with the competent authorities in accordance with the sectoral procedural guides, issuing investment licenses as authorization to begin project

implementation, providing technical support and advisory services, and registering companies and obtaining commercial registrations.

Under article 18, public authorities are bound by the time limits set out in the procedural guides, and decisions on granting investment licenses must be issued within a maximum period of 30 days from the day following completion of the application and payment of the applicable fees. These provisions establish a legally binding framework for streamlined licensing procedures through a centralized one-stop shop mechanism and statutory deadlines.

However, the Investment Law does not set minimum capital thresholds nor does it require conducting cost-benefit analyses as a condition for licensing or registration, leaving these matters, where applicable, to sector-specific laws and regulations.



Investor protection

This assessment component reviews the legal protections available to foreign investors in the Syrian Arab Republic, including statutory guarantees, access to dispute resolution mechanisms, and the role of domestic courts and arbitration frameworks in ensuring the enforcement of investor rights and investment-related obligations.

Article 5 of Law No. 18 of 2021 provides investors with guarantees related to asset protection, expropriation, financial obligations and procedural safeguards. Assets may be seized only pursuant to a court warrant, expropriation may occur only in the public interest and against compensation equivalent to the real value of the project, and investment projects may not be subjected to financial burdens not included in the procedural manual. Investment licenses may also be cancelled only after the investor has been notified of the violations and granted 90 days to resolve them.

Additional guarantees are provided under articles 28, 30 and 31, which grant investors the right to open bank accounts in local and foreign currency, obtain credit facilities, transfer profits and proceeds abroad after settlement of financial obligations, settle foreign obligations in foreign currency, obtain residence and work permits for themselves, their families and foreign employees, and import equipment and machinery necessary for the project. These provisions provide legal guarantees related to capital transfers, financing, residency and operational continuity.

Dispute settlement mechanisms are regulated under article 33, which provides that investment disputes arising from the application of the law shall be settled through amicable means (conciliation and mediation), arbitration or the competent courts. This provision expressly recognizes arbitration as an available method for resolving disputes between the Syrian Arab Republic and foreign investors.

Domestic arbitration is further regulated under article 34, which establishes an independent arbitration centre within the Federation of Syrian Chambers of Commerce to hear civil and commercial investment disputes submitted to arbitration by agreement of the parties, in accordance with the applicable Arbitration Law.

Article 35 governs foreign arbitral awards and permits the enforcement of awards rendered abroad, provided that they are final and enforceable in the country of origin. It further provides that foreign arbitral awards issued pursuant to Syrian law or applicable bilateral, regional or international agreements in force in the Syrian Arab Republic shall be granted exequatur by the Court of Appeal and enforced in accordance with the conditions established under the law or the applicable treaties. These provisions establish a statutory framework for the recognition and enforcement of foreign arbitral awards.

The Syrian Arab Republic has ratified the New York Convention and the Convention on the Settlement of Investment Disputes between States and Nationals of Other States (ICSID). These ratifications integrate international dispute settlement mechanisms into the domestic investment framework.

Ownership limits

This assessment component examines the extent to which Syrian legislation imposes ownership limits, foreign equity restrictions, or screening and prior approval mechanisms on foreign investment operations, including restrictions related to acquisition of real estate or participation in certain economic activities.

The Syrian legal framework establishes foreign ownership limits and prior approval requirements for equity participation and real estate acquisition by foreign investors.

Real estate ownership by investors is subject to conditional approval requirements. Pursuant to article 27 of the Investment Law, investors are entitled to own and lease lands and real estate needed for establishing or expanding an investment project within the limits of the project's needs, subject to obtaining the approval of the Supreme Investment Council in cases where ownership exceeds the prescribed ceiling. Article 3 of Decision No. 1596 excludes rain-fed or irrigated arable land located in investment zones I, II and III from being used for investment projects.

This provision introduces a legal limitation on the full acquisition of real estate by conditioning ownership exceeding the applicable ceiling on prior authorization by the competent authority.

Sectoral restrictions

This assessment component reviews sector-specific regulations that affect foreign direct investment in the Syrian Arab Republic, focusing on market access limitations, competition-related considerations, and exceptions justified on grounds.

Investment projects are also subject to the provisions of applicable competition laws. Article 3(a) of Law No. 18 of 2021 stipulates that banks, exchange companies and all other financial institutions that accept deposits are excluded from the scope of the law.

Performance requirements

This assessment component examines whether Syrian investment legislation or policies impose performance-related obligations on foreign investors, such as requirements related to employment, skills development, export promotion, or compliance with social and labour standards.

The Syrian investment framework imposes specific social, training and technology-related performance requirements aimed at supporting human capital development and technological upgrading within investment projects.

Pursuant to article 31 of Decision No. 1596, investors are required to allocate up to three per cent of their profits to projects aimed at achieving social development objectives. Within this framework, eligible contributions include support for training programmes, scientific research and technological development; the transfer and modernization of production technologies; training costs for students, trainers, graduates and project workers in vocational and technical education institutions; and scientific research conducted by universities, governmental institutions or research centres, subject to prior approval by the Syrian Investment Agency. These provisions establish statutory obligations related to education, labour development, skills upgrading, and technology transfer applicable to investment projects.

However, the law does not contain any explicit provisions imposing or regulating export performance requirements or mandatory export obligations within foreign investment agreements, and no legislative criteria are established to promote exports as a condition for benefiting from investment incentives.

Additionally, the examined provisions do not establish any legislative criteria requiring the assessment of opportunity costs, effectiveness or efficiency of foreign direct investment strategies by the State as part of the investment approval or monitoring process.



Incentive regime

This assessment component reviews the legal framework governing investment incentives in the Syrian Arab Republic, which includes defining incentive schemes in legislation, specifying the adopted incentive regime, and identifying the competent authorities responsible for administering and implementing these incentives.

Chapter 7 of Law No. 18 of 2021 provides for various types of incentives for investors.

- **Customs incentives**

  Machinery and supplies are exempt from all customs duties and non-tariff additions, provided they are used solely for the purposes of an FDI project, within certain limits. (also provided for in article 20 of Decision No. 1596).

- **Tax incentives**

  Article 21 of Law No. 18 of 2021 establishes a 100 per cent income tax exemption for agricultural projects, and a 75 per cent reduction over 10 years for projects that meet certain conditions related to development. Other exemptions exist for projects in other areas.

- **Non-tax incentives**

  Article 22 of Law No. 18 of 2021 contains provisions aimed at supporting specific sectors and activities by providing non-tax incentives. Items necessary for a project that cannot be produced locally may be imported. Support services are available to assist investors in this respect, with particular attention given to small and medium-sized enterprises (SMEs).

- **Special economic zones**

  Article 25 of Law No. 18 of 2021 establishes special economic zones. These zones are intended to encourage economic activity in particularly important sectors and regions.



Currency conversion and profit repatriation

This assessment component examines the legal provisions governing currency conversion and the repatriation of profits by foreign investors in the Syrian Arab Republic, including guarantees for capital transfers, the role of financial and banking authorities, and applicable capital control measures.

Article 28(c) of Law No. 18 of 2021 allows investors to transfer profits, interest and project capital abroad after all tax and duty has been paid. In addition, pursuant to article 41 of the same law, non-Syrian workers, experts and technicians are entitled to transfer 50 per cent of their monthly wages and compensations, as well as the full end-of-service indemnity, abroad through licensed banks operating in the Syrian Arab Republic.

The Central Bank of Syria supervises banks and foreign currency operations.



Exit strategy

This assessment component assesses the legal framework governing the exit of foreign investors from the Syrian market, focusing on provisions related to divestment, liquidation, mergers and acquisitions.

The Syrian investment framework contains explicit provisions regulating the exit of foreign investors through project cancellation, liquidation and transfer of ownership.

Pursuant to article 54 of Decision No. 1596, specific rules apply in cases of project cancellation or liquidation. Foreign investors are required to transfer ownership of the lands and buildings belonging to the investment project to third parties, and Syrian investors are required to transfer any real estate ownership exceeding the legally prescribed ceiling, in accordance with the applicable laws. If the transfer is not completed, the applicable legislation shall apply within the prescribed statutory procedures and time limits.

Pursuant to article 38 of Law No. 18 of 2021, foreign investors are required, upon cancellation or liquidation of the project, to transfer ownership of the lands and buildings belonging to the investment project to third parties. No transfer of a project or an existing investment project to a non-Syrian person may take place without obtaining the prior approval of the Board of Directors of the Syrian Investment Agency, subject to a maximum period of two years to complete the transfer. This provision introduces a prior approval requirement and a statutory deadline governing the exit of foreign investors and the divestment of investment assets.

The law further regulates transfers and acquisitions of investment projects. Pursuant to article 55 of Decision No. 1596, the transfer of an existing investment project by a Syrian or non-Syrian investor to a non-Syrian person is subject to approval procedures involving the submission of an application to the Syrian Investment Agency and referral to the Board of Directors. The transfer must be completed within two years. These provisions establish a screening and authorization mechanism applicable to mergers and acquisitions involving foreign investors.

In this context, pursuant to article 39 of Law No. 18 of 2021, where ownership of an investment project is transferred, in whole or in part, to a third party, the new investor shall assume all rights and obligations of the former investor arising under the Investment Law. This provision ensures legal continuity of investment rights and obligations in the context of mergers, acquisitions and transfers of ownership.

RECOMMENDATIONS

- Clarify the nature, scope and amount of fees applicable to investment services, including whether they constitute registration fees and whether they are applied equally to domestic and foreign investors.
- Introduce explicit legal provisions regulating the creation, registration and enforcement of mortgages or other security interests available to foreign investors in relation to bank loans.
- Clarify whether minimum capital requirements apply to foreign investment projects under the Investment Law, or explicitly confirm reliance on sector-specific legislation.
- Introduce a statutory requirement to conduct structured cost-benefit assessments as part of the investment licensing process.
- Consolidate sectoral exclusions applicable to foreign direct investment into a single, publicly accessible negative list to enhance legal clarity and predictability.
- Introduce legal provisions promoting export-oriented investment within the FDI framework, where appropriate, given the absence of export performance measures.
- Establish clear legal criteria or reporting mechanisms to assess the opportunity costs, effectiveness and efficiency of State FDI strategies.