

HEZBOLLAH'S SHADOW ECONOMY IN POST-ASSAD SYRIA

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The United States government is offering up to \$10 million for information on Mohammad Qasim al-Bazzal, a Hezbollah financier sanctioned by Washington for moving Iranian oil money through Syria and into the hands of Hezbollah and the Islamic Revolutionary Guard Corps (IRGC).¹ That bounty underscores Hezbollah's persistent use of Syria as a financial base despite the downfall of President Bashar al-Assad's regime. While Hezbollah's fighting forces can no longer operate openly in Syria in the absence of Assad's protection, the commercial networks associated with its former financial facilitators have not entirely disappeared.

The Assad family's 53-year rule — first under Hafez al-Assad and then under Bashar, his son — collapsed decisively on December 8, 2024, after more than a decade of civil war.² Throughout the conflict, the regime survived by relying on Iran and its network of proxies, most notably Hezbollah.³ The group embedded thousands of fighters across Syria, providing offensive striking power that Assad's forces lacked, and used Syrian territory as a conduit for weapons, money, and logistical support destined for Lebanon. At its peak, Hezbollah deployed roughly 10,000 fighters in Syria and lost thousands of them in a war that earned Hezbollah as much enmity from the Syrian people — especially Sunni Arabs — as Assad himself.⁴

In the war, Hezbollah fought against opposition groups ranging from secular factions to jihadist forces such as al-Qaeda's Syrian affiliate, Jabhat al-Nusra.⁵ Ultimately, Ahmad al-Sharaa — formerly known as Abu Muhammad al-Jolani — emerged as the war's victor. Sharaa commanded Jabhat al-Nusra, then merged it with other jihadi forces to create Hayat Tahrir al-Sham (HTS) in 2017. After years of controlling no more than an enclave in northwest

1. U.S. Department of State, Media Note, "Rewards for Justice – Up to \$10 Million Reward Offer for Information on Hizballah's Financial Networks: Muhammad Qasir, Muhammad Qasim al-Bazzal, and Ali Qasir," October 23, 2020. (<https://2017-2021.state.gov/rewards-for-justice-up-to-10-million-reward-offer-for-information-on-hizballahs-financial-networks-muhammad-qasir-muhammad-qasim-al-bazzal-and-ali-qasir>)

2. Greg Myre, "In Syria, the Assads leave a bitter legacy after a half-century of repressive rule," *NPR*, December 8, 2024. (<https://www.npr.org/2024/12/08/g-s1-37298/in-syria-the-assads-leave-a-bitter-legacy-after-a-half-century-of-repressive-rule>)

3. Tom Perry, Laila Bassam, Suleiman Al-Khalidi, and Tom Miles, "Hezbollah, other Shi'ite allies helped Assad win in Aleppo," *Reuters*, December 14, 2016. (<https://www.reuters.com/article/world/hezbollah-other-shiite-allies-helped-assad-win-in-aleppo-idUSKBN1431PV>)

4. Seth G. Jones and Maxwell B. Markusen, "The Escalating Conflict with Hezbollah in Syria," *Center for Strategic and International Studies*, June 20, 2018. (<https://www.csis.org/analysis/escalating-conflict-hezbollah-syria>)

5. Samia Nakhoul, "Insight - Al Qaeda Hijacks Spirit of Syria Revolt Three Years On," *Reuters*, March 11, 2014. (<https://www.reuters.com/article/world/insight-al-qaeda-hijacks-spirit-of-syria-revolt-three-years-on-idUSBREA2A0PY>)

Syria, Sharaa launched a lightning offensive that toppled the regime in just 11 days, establishing himself as the new ruler in Damascus.⁶

The new leadership is no ally of Hezbollah. Under Sharaa, Syria has shifted from a central partner in Iran's regional axis to a government openly hostile to Tehran and its Lebanese proxy. The Islamic Republic's then-supreme leader, the late Ayatollah Ali Khamenei, delivered a public address days after Assad fled to Moscow, acknowledging defeat for Iran's axis of resistance. Khamenei attributed the setback to the axis's "negligence toward the enemy."⁷ Hezbollah's overt military presence in Syria nearly vanished, and its political cover in Damascus disappeared. However, that is only part of the story.

A year and a half after the fall of the Assad regime, parts of the Assad-era commercial ecosystem tied to Hezbollah financiers appear to remain active in Syria. Despite Sharaa's hostility toward Iran and Hezbollah, he has waged only a limited campaign against the group's economic infrastructure. The problem is not only a lack of capacity but also a deficit of willingness. The Syrian government has opted for financial settlements with businessmen who played a critical role in financing the Assad regime, including figures linked to Hezbollah's wartime commercial ecosystem, turning them into a source of much-needed revenue rather than dismantling the networks they operated. In doing so, Damascus risks allowing companies tied to Hezbollah's financiers to remain in the market.

That gap is even more important given Washington's evolving Syria policy. President Donald Trump has extended sanctions relief to Syria as a goodwill gesture to aid reconstruction,⁸ an understandable move considering the country's humanitarian and economic collapse during the civil war. Yet Trump offered this relief without even the most basic conditions attached, such as putting in place measures to counter illicit finance, whether for criminal or terrorist purposes.⁹ Washington had tremendous leverage because of Syria's desperation and Sharaa's personal need to have himself and HTS removed from the terror blacklists of the United States and the United Nations. But that leverage was never used.

Syrian government records, combined with social media documentation, show that companies with ownership, management, or address ties to designated Hezbollah financiers and sanctioned entities remain active in Syria following the fall of the Assad regime. These companies span battery manufacturing, metals trading, livestock, agribusiness, import-export activity, real estate, and investment. They include companies already under sanctions because they are part of the network run by Mohammad al-Bazzal, the Hezbollah financier,¹⁰ and his brother Rashid al-Bazzal,¹¹ both of whom the U.S. Treasury Department has listed as Specially Designated Global Terrorists (SDGT).¹² Equally important,

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6. Aymenn Al-Tamimi, "The Formation of Hay'at Tahrir al-Sham and Wider Tensions in the Syrian Insurgency," *Combating Terrorism Center at West Point*, February 2017. (<https://ctc.westpoint.edu/the-formation-of-hayat-tahrir-al-sham-and-wider-tensions-in-the-syrian-insurgency>); Jill Lawless, "How it happened: Two seismic weeks that toppled Syria's government," *Associated Press*, December 8, 2024. (<https://apnews.com/article/syria-assad-ousted-rebel-offensive-timeline-8c54a8b97803d4b10cde53b97227128e>)

7. Ayatollah Ali Khamenei, "Imam Khamenei's important speech about recent developments in Syria and region," *Khamenei.ir*, December 13, 2024. (<https://english.khamenei.ir/news/11318/Imam-Khamenei-s-important-speech-about-recent-developments-in>)

8. Executive Order 14312, "Providing for the Revocation of Syria Sanctions," June 30, 2025. (<https://www.whitehouse.gov/presidential-actions/2025/06/providing-for-the-revocation-of-syria-sanctions>)

9. Ahmad Sharawi, "Foreign Investment in Syria's Reconstruction Carries Terror Finance Risk," *Foundation for Defense of Democracies*, February 10, 2026. (<https://www.fdd.org/analysis/2026/02/10/foreign-investment-in-syrias-reconstruction-carries-terror-finance-risk>)

10. U.S. Department of the Treasury, Office of Foreign Assets Control, Notice, "Notice of OFAC Sanctions Actions," *Federal Register*, November 30, 2018. (<https://www.federalregister.gov/documents/2018/11/30/2018-26077/notice-of-ofac-sanctions-actions>)

11. U.S. Department of the Treasury, Press Release, "Treasury Targets Hizballah Finance Team Sanctions Evasion Network," March 28, 2025. (<https://home.treasury.gov/news/press-releases/sb0063>)

12. U.S. Department of the Treasury, Press Release, "Treasury Disrupts Financial Facilitation Network Supporting Hizballah Terrorists," May 15, 2025. (<https://home.treasury.gov/news/press-releases/sb0143>)

the available documentation identifies eight companies, seven that are unsanctioned and Al-Ahed (sanctioned in 2026) that warrant further investigation and, where the legal criteria are met, may merit separate designation by Treasury’s Office of Foreign Assets Control (OFAC). (See Figure 1.)

FIGURE 1

Company Name (English and Arabic)	Registration No.	Location	Nature of Bazzal-Network Connection
Al-Ahed Trade and Investment شركة العهد للتجارة والاستثمار	Registration No. 1582 July 14, 2016 Damascus Governorate ¹³	Damascus Governorate	Corporate and management link through individuals associated with the Bazzal-linked company Houkoul S.A.L.; shareholder in other companies within the network
Najm al-Sharq LLC نجم الشرق شركة	Registration No. 207 September 2016 ¹⁴	Rif Dimashq Governorate	Ownership by a designated Hezbollah procurement facilitator and a direct personnel connection to three designated Bazzal-controlled companies
Riyada Lead Manufacturing LLC شركة ريادة لصناعة الرصاص	Registration No. 38 January 16, 2018 ¹⁵	Adra Industrial City, Rif Dimashq	Direct ownership, management, and address-based links
Rayyana LLC شركة ريانة	Registration No. 629 March 4, 2018 ¹⁶	Rif Dimashq Governorate	Bazzal-family ownership and direct managerial control
Al-Shuaa Copper Company شركة شعاع للنحاس	Registration No. 799 March 20, 2018 ¹⁷	Rif Dimashq Governorate	Direct ownership link through a Bazzal-controlled company
Rimas Feed Company شركة ريماس للأعلاف	Registration No. 3626 September 25, 2018 ¹⁸	Hasya Industrial City, Homs	Ownership through a Bazzal-controlled company
Al-Sanabel al-Khadra LLC شركة السنايل الخضراء	Registration No. 2977 October 16, 2018 ¹⁹	Rif Dimashq Governorate	Direct majority ownership and managerial control
Afaq Livestock Development LLC شركة الأفاق للثروة الحيوانية	Registration No. 3380 November 18, 2018 ²⁰	Rif Dimashq Governorate	Direct majority ownership and managerial control

All eight companies listed above have a majority owner (or owners) already under U.S. sanctions. That should trigger OFAC’s 50 Percent Rule, under which any entity that is owned 50 percent or more, directly or indirectly, by one or more Specially Designated Nationals (SDN) — a category that includes SDGTs like the Bazzal brothers — is blocked by operation of law. This means it is subject to sanctions even if it does not appear by name on the SDN list.²¹ In legal

13. Syrian Ministry of Trade and Consumer Protection, Official Gazette, “العدد 83، الجزء 2” [Issue No. 38, Part 2],” October 5, 2016. (https://odd.syria-report.com/official_gazette/-2016-2-العدد38-الجزء2)

14. “Orient Star LLC,” *The Syria Report*, September 27, 2016. (https://syria-report.com/new_companies/orient-star-llc)

15. Syrian Ministry of Trade and Consumer Protection, Official Gazette, “العدد 21، الجزء 2” [Issue No. 12, Part 2],” March 20, 2018. (https://odd.syria-report.com/official_gazette/-2018-2-العدد21-الجزء2)

16. Syrian Ministry of Trade and Consumer Protection, Official Gazette, “العدد 51، الجزء 2” [Issue No. 15, Part 2],” April 12, 2018. (https://odd.syria-report.com/official_gazette/-2018-2-العدد51-الجزء2)

17. Syrian Ministry of Trade and Consumer Protection, Official Gazette, “العدد 62، الجزء 2” [Issue No. 26, Part 2],” June 28, 2018. (https://odd.syria-report.com/official_gazette/-2018-2-العدد62-الجزء2)

18. Syrian Ministry of Trade and Consumer Protection, Official Gazette, “العدد 05، الجزء 2” [Issue No. 50, Part 2],” December 20, 2018. (https://odd.syria-report.com/official_gazette/-2018-2-العدد05-الجزء2)

19. Syrian Ministry of Trade and Consumer Protection, Official Gazette, “العدد 51، الجزء 2” [Issue No. 15, Part 2],” April 12, 2018. (https://odd.syria-report.com/official_gazette/-2018-2-العدد51-الجزء2)

20. Syrian Ministry of Trade and Consumer Protection, Official Gazette, “العدد 44، الجزء 2” [Issue No. 44, Part 2],” November 8, 2018. (https://odd.syria-report.com/official_gazette/-2018-2-العدد44-الجزء2)

21. U.S. Department of the Treasury, Office of Foreign Assets Control, FAQ, “Entities Owned by Blocked Persons (50% Rule),” August 13, 2014. (<https://ofac.treasury.gov/faqs/topic/1521>)

terms, blocking under the 50 percent rule is not as restrictive as SDN status, so designating these firms by name would exert further pressure on their operations.

For these eight companies, direct ownership is only one aspect of their ties to the Hezbollah financiers network. Other linkages include managers, addresses, minority shareholders, or unusually broad commercial mandates. These connections justify further investigation by U.S. and Syrian authorities, but they do not independently establish that each company meets the criteria for a sanctions designation under Executive Order 13224, which authorizes sanctions to counter terrorist finance.²² Further investigation would need to show that these companies are controlled by, act on behalf of, or provide support to another SDGT.

The strongest evidence that one of these companies meets the designation criteria relates to Al-Ahed Trade and Investment. In June 2026, the Treasury Department stated that Mohammad al-Bazzal helped initiate contracts under which Al-Ahed acted as the local representative of a designated company, G.M. Farm, as part of a project worth nearly \$10 million. Treasury further stated that profits from the project were divided among Talaqi Group, Al-Ahed, and Globe Technology Providers SARL. Treasury designated Al-Ahed for materially supporting G.M. Farm. This transaction-level evidence provides a substantially stronger basis for action than corporate overlap alone. Public operational evidence concerning the remaining companies is more limited; accordingly, this memo treats them as priority investigative leads unless additional transactional evidence independently establishes their eligibility for designation.

Even as the United States supports Syria's reconstruction, it should press Damascus to prioritize enforcement by reviewing licenses held by firms linked to Hezbollah-financiers and entities, and strengthening legal foundations for counterterrorism financing, including an effective mechanism for identifying and freezing assets linked to Hezbollah and its financiers. Syria already has a financial intelligence body within its central bank empowered to receive and analyze suspicious-transaction reports and oversee implementation of the country's anti-money-laundering and counterterrorism-financing laws. Damascus has also announced a national strategy in this area that promises international cooperation in dealing with counterterrorism financing, but Washington should press it to translate that strategy into measurable enforcement.²³

For Syria, rebuilding the economy should entail not just a restoration of growth, but the creation of institutions capable of upholding international standards for investigating and punishing terror finance and other illicit economic activities. Perhaps Sharaa's government will recognize that its own self-interest favors the stamping out of terrorist and criminal finance. If not, Washington should make its support contingent on such action.

HEZBOLLAH'S FINANCIAL NETWORKS UNDER ASSAD

During Assad's rule, Syria served as a sanctions evasion and illicit finance hub for Hezbollah and the Islamic Revolutionary Guard Corps-Quds Force (IRGC-QF).²⁴ As Washington's maximum pressure campaign against

22. Executive Order 13224, "Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten To Commit, or Support Terrorism," *GovInfo*, September 23, 2001. (<https://www.govinfo.gov/content/pkg/FR-2001-09-25/pdf/01-24205.pdf>)

23. 'إطلاق ورشة: نحو استراتيجية جديدة لمكافحة غسل الأموال وتمويل الإرهاب وانتشار التسلح في سوريا' [Launching a Workshop 'Toward a New Strategy to Combat Money Laundering, Terrorist Financing, and Proliferation Financing in Syria'], *Syrian Arab News Agency* (Syria), July 21, 2026. (<https://sana.sy/locals/2533278>)

24. U.S. Department of the Treasury, Press Release, "Treasury Targets Hizballah Finance Network and Syrian Narcotraffickers Tied to the Assad Regime," October 15, 2024. (<https://home.treasury.gov/news/press-releases/jy2648>)

Iran's economy intensified during Trump's first term, networks tied to Hezbollah and the IRGC-QF increasingly used Syria to move money across the region.²⁵

At the center of that system was Mohammad Qasir, a Hezbollah operative whom the U.S. Treasury Department described as “a critical conduit” for Iranian financial schemes.²⁶ Qasir headed Hezbollah's Unit 4400, the branch responsible for transferring weapons from Syria into Lebanon.²⁷ The networks surrounding Qasir operated through Syrian import-export firms and commercial intermediaries. Qasir's closest associates included Mohammad al-Bazzal. As Qasir's son-in-law, Bazzal also had direct family ties to Hezbollah's inner circle.²⁸ Israel eliminated Qasir in October 2024.²⁹

The Bazzal network facilitated IRGC-QF-linked oil shipments to Syria through U.S.-sanctioned companies such as Talaqi Group, Houkoul S.A.L. Offshore, Nagham al-Hayat, Tawafuk, and ALUMIX.³⁰ Talaqi Group was co-founded by Bazzal and his wife, Qasir's daughter, and became a primary commercial vehicle for the network.³¹ In 2019, Treasury revealed that Bazzal tried to remove his name from the company's ownership documents to shield the business from sanctions scrutiny.

DAMASCUS TARGETS HEZBOLLAH'S GUNS, NOT ITS MONEY

For decades, Syria functioned as Hezbollah's strategic depth. It provided a corridor for weapons transfers, and a permissive arena for logistical operations.³² Assad's fall deprived Hezbollah of the political protection needed for such efforts, but the group shifted from visible military entrenchment to covert networks designed to survive in an unfriendly environment.³³

That transition has become visible along the smuggling corridor stretching from Syria's Qalamoun mountains to the Lebanese border. Syrian authorities have spent the past year intercepting a steady flow of Hezbollah-linked weapons shipments. In September 2025, security forces uncovered a cache in the towns of Sasa and Kanaker in Rif Dimashq that contained 19 Grad rockets, anti-tank weapons, and ammunition.³⁴ By December, the scale of trafficking appeared

25. Matthew Levitt, “Hezbollah's Regional Activities in Support of Iran's Proxy Networks,” *Middle East Institute*, July 26, 2021. (<https://mei.edu/publication/hezbollahs-regional-activities-support-irans-proxy-networks>)

26. U.S. Department of the Treasury, Press Release, “Treasury Targets Hizballah Finance Network and Syrian Captagon Trafficking,” October 16, 2024. (<https://home.treasury.gov/news/press-releases/jy2648>)

27. David Daoud and Ahmad Sharawi, “Analysis: Hezbollah's Unit 4400,” *FDD's Long War Journal*, November 22, 2024. (<https://www.longwarjournal.org/archives/2024/11/analysis-hezbollahs-unit-4400.php>)

28. U.S. Department of the Treasury, Press Release, “Treasury Designates Vast Iranian Petroleum Shipping Network That Supports IRGC-QF and Terror Proxies,” September 4, 2019. (<https://home.treasury.gov/news/press-releases/sm767>)

29. “Israeli military says it killed commander of Hezbollah-linked group in Beirut,” *Reuters*, October 1, 2024. (<https://www.reuters.com/world/middle-east/israeli-military-says-it-killed-commander-hezbollah-linked-group-beirut-2024-10-01>)

30. Ibid.

31. U.S. Department of the Treasury, Press Release, “Treasury Targets Key Hizballah Financing and Facilitation Networks,” March 28, 2025. (<https://home.treasury.gov/news/press-releases/sb0063>)

32. David Daoud and Ahmad Sharawi, “Syria's Crackdown on Hezbollah Opens a Door to Cooperation With Israel,” *Foundation for Defense of Democracies*, April 21, 2026. (<https://www.fdd.org/analysis/2026/04/21/syrias-crackdown-on-hezbollah-opens-a-door-to-cooperation-with-israel>)

33. Ibid.

34. Steven Ganot, “Rocket Cache, Arrests in Damascus Countryside as Probes Target Cross-Border Links,” *The Media Line*, September 11, 2025. (<https://themedialine.org/mideast-daily-news/rocket-cache-arrests-in-damascus-countryside-as-probes-target-cross-border-links>)

to intensify. Syrian authorities seized 1,250 landmines in Rif Dimashq.³⁵ Days later, they captured rocket-propelled grenades in Zabadani, a town long associated with Hezbollah's cross-border logistics infrastructure.³⁶

But the weapons flow reveals only part of Hezbollah's post-Assad adaptation. The group has also preserved covert operational networks inside Syria itself. On April 19, 2026, Syria's Ministry of Interior announced that it had "thwarted a sabotage plot orchestrated by a cell linked to the terrorist Hezbollah militia" in Quneitra governorate near the Israeli border.³⁷

Hezbollah's infrastructure appears rooted in the remnants of its Assad-era ecosystem. This includes smugglers, former regime officers, local auxiliaries, and facilitators with years of experience moving weapons and money across Syria's porous borders.³⁸

Damascus has shown that it understands the security threat posed by Hezbollah's residual presence in Syria. Its repeated interdiction of weapons shipments is a testament to its willingness to act when facing a security threat. Yet Damascus has not applied the same urgency to confronting Assad-era commercial entities tied to Hezbollah financiers, a deficit most clearly visible in the forgiveness shown to Assad-era business leaders.

Damascus has focused heavily on reviving economic activity, strengthening company registration procedures, and integrating into the formal economy businessmen tied to the former regime.³⁹ The emphasis has been on stabilizing the private sector instead of scrutinizing potentially illicit ownership structures.⁴⁰

Years of war hollowed out Syria's regulatory and financial oversight capacity, leaving authorities with limited ability to conduct forensic financial review. Syrian officials themselves have acknowledged the scale of the problem. Basel al-Suwaidan, head of Syria's National Committee for Combating Illicit Gain, described the challenge as confronting "interconnected economic systems" in which "ownerships overlapped, and assets were distributed among individuals, companies, and multiple fronts inside and outside Syria."⁴¹ He further admitted that some actors moved quickly to "transfer assets or restructure them" once they sensed scrutiny.⁴²

These dynamics closely mirror the ownership structures and overlapping commercial relationships seen throughout the Bazzal network. Institutional weakness extends into Syria's financial system. Economist Zaki Mehchy warned that Syria still suffers from weak compliance with anti-money laundering and counterterrorism financing standards

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35. "Syria Foils Attempt to Target Religious Figure in Damascus Countryside," *Syrian Arab News Agency* (Syria), December 3, 2025. (<https://sana.sy/en/syria/2281280>)

36. Muwaffaq Mohammad, "دمشق تعلن إحباط محاولة تهريب جديدة لشحنة أسلحة إلى لبنان" [Damascus Announces Foiling of a New Attempt to Smuggle a Weapons Shipment to Lebanon], *Asharq al-Awsat* (UK), December 17, 2025. (<https://aawsat.com/5220526-العالم-العربي/المشرق-العربي>)
(دمشق-تعلن-إحباط-محاولة-تهريب-جديدة-لشحنة-أسلحة-إلى-لبنان)

37. @syrianmoi, X, April 19, 2026. (<https://x.com/syrianmoi/status/2045839917255733696>)

38. Ahmad Sharawi, "The Quiet Return of Hezbollah's Smuggling Network in Syria," *Foundation for Defense of Democracies*, October 1, 2025. (<https://www.fdd.org/analysis/2025/10/01/the-quiet-return-of-hezbollahs-smuggling-network-in-syria>)

39. Walid Al Nofal, "Sanctioned Syrian tycoon Hamsho eyes a new chapter after financial settlement," *Syria Direct*, January 14, 2026. (<https://syriadirect.org/sanctioned-syrian-tycoon-hamsho-eyes-a-new-chapter-after-financial-settlement>)

40. Riham Alkousaa, "Syria's new Islamist rulers to roll back state with privatizations, public sector layoffs," *Reuters*, January 31, 2025. (<https://www.reuters.com/world/middle-east/syrias-islamist-rulers-overhaul-economy-with-firings-privatization-state-firms-2025-01-31>)

41. Muwaffaq Mohammed, "السلطات السورية ماضية في حملة مكافحة الإثراء غير المشروع" [Syrian Authorities Hold Onto Campaign to Root Out Illegal Enrichment], *Asharq al-Awsat* (UK), May 1, 2026. (<https://english.aawsat.com/arab-world/5268415-syrian-authorities-hold-campaign-root-out-illegal-enrichment>)

42. Ibid.

and limited transparency.⁴³ Similarly, former Central Bank Governor Abdulkader Husrieh acknowledged the need to strengthen “governance, supervision, and institutional capacity” before Syria can responsibly reconnect to the international financial system.⁴⁴

In March 2026, the Ministry of Economy and Industry issued a circular standardizing commercial registry procedures. Officially, the ministry framed the changes as an effort to reduce administrative disorder and organize Syria’s commercial registry system.⁴⁵ Yet the measure also institutionalized a major loophole, allowing companies to register up to five nonhomogeneous commercial activities under a single license, including import-export operations.⁴⁶ This allows firms to maintain extraordinarily broad commercial mandates spanning import-export activity, investment, agriculture, industry, real estate, logistics, and general trade under one corporate structure, often without meaningful scrutiny of their financing sources or operational control.

This matters because many Hezbollah-linked firms have historically operated through precisely these broad wartime trade structures. Syrian commercial registries do not appear to protect against indirect operational control by unseen third parties. Companies tied to sanctioned networks may continue to exist behind layers of intermediaries and partially obscured ownership arrangements while formally appearing compliant inside the new Syrian economy.

THE REHABILITATION OF ASSAD-ERA BUSINESS NETWORKS

An even greater source of illicit finance risk is Damascus’s decision to address the criminal legacy of Assad-era business networks through a process of “settlement” and reintegration.⁴⁷ In January 2026, Syria’s National Committee for Combating Illicit Gain announced a formal settlement with businessman Mohammad Hamsho under a “voluntary disclosure” program designed to recover assets and resolve financial liabilities in exchange for legal normalization.⁴⁸ Subsequent reporting pointed to additional settlements or asset-transfer arrangements involving other business leaders who played a critical role in financing the Assad regime, including sanctioned figures such as Samer Foz.⁴⁹

The Syrian government itself framed these measures as part of a broader post-conflict economic stabilization strategy. According to a source within the National Committee for Combating Illicit Gain, more than 900 individuals connected to the former regime had applied for settlements by the end of 2025.⁵⁰

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43. Sham al-Sebsi, “ما المخاطر والتحديات التي تواجه الاقتصاد السوري بعد قانون قيصر؟” [What Risks and Challenges Face the Syrian Economy After the Caesar Act?], *Al Jazeera* (Qatar), December 20, 2025. (<https://www.aljazeera.net/ebusiness/2025/12/20/سوريا-قيصر-عقوبات-اميركا-المخاطر>)

44. United Nations Development Programme, “UNDP and Central Bank of Syria Join Forces to Bolster Financial Stability and Drive Institutional Reform,” March 1, 2026. (<https://www.undp.org/syria/press-releases/undp-and-central-bank-syria-join-forces-bolster-financial-stability-and-drive-institutional-reform>)

45. “تعميم بتوحيد آلية العمل لدوائر الشركات والسجل التجاري” [Circular on Unifying the Working Mechanism for Company Departments and the Commercial Registry], *Enab Baladi* (Syria), March 30, 2026. (<https://www.enabbaladi.net/801946/تعميم-بتوحيد-آلية-العمل-لدوائر-الشركات>)

46. Ibid.

47. Walid Al Nofal, “Sanctioned Syrian tycoon Hamsho eyes a new chapter after financial settlement,” *Syria Direct*, January 14, 2026. (<https://syriadirect.org/sanctioned-syrian-tycoon-hamsho-eyes-a-new-chapter-after-financial-settlement>)

48. Ibid.

49. U.S. Department of the Treasury, Press Release, “Treasury Designates Syrian Oligarch Samer Foz and His Luxury Reconstruction Business Empire,” June 11, 2019. (<https://home.treasury.gov/news/press-releases/sm704>); Rakan al-Khader, “شكوك حول التسويات المالية لرجال أعمال مقربين من الأسد” [Doubts Surround Financial Settlements for Businessmen Close to Assad], *Enab Baladi* (Syria), March 15, 2026. (<https://www.enabbaladi.net/799872/شكوك-حول-التسويات-المالية-لرجال-أعمال>)

50. Wasim al-Adawi, “900 Wanted Names: Illicit Gain Commission Recovers Billions of Dollars,” *Enab Baladi* (Syria), January 8, 2026. (<https://english.enabbaladi.net/archives/2026/01/900-wanted-names-illicit-gain-commission-recovers-billions-of-dollars>)

The U.S. Treasury Department sanctioned Foz in 2019 for operating a sprawling business empire tied to the Assad regime and wartime profiteering.⁵¹ Treasury identified companies connected to Foz, including Aman Holding, ASM International Trading in Dubai, and Lebanese offshore entities such as BS Company Offshore and Synergy SAL Offshore. Treasury further stated that BS Company Offshore facilitated support for the Baniyas refinery and participated in the importation of Iranian crude oil into Syria.⁵² Although Foz was not publicly identified as a direct member of Hezbollah's financial apparatus, his companies operated inside the same sanctions-evasion ecosystem that sustained Iranian oil flows.

Some businessmen who thrived under Assad's wartime economy have remained embedded in Syria's post-Assad commercial landscape, including figures tied more directly to Hezbollah's financial infrastructure. One is Fadel Balwi, a U.S.-designated businessman⁵³ who has been photographed multiple times alongside cabinet-level officials in the new Syrian government.⁵⁴ According to OFAC, "as of mid-2021, Al-Fadel Exchange also facilitated payments from the Assad regime to U.S.-designated Hizballah financial official Muhammad Qasim al-Bazzal in return for shipments of Iranian oil."⁵⁵ In June 2025, the Syrian Central Bank revoked Al-Fadel Exchange's company license and removed it from the official registry of exchange companies, a positive step, but not enough when other companies tied to the same wartime financial ecosystem continue to operate.

One example of these companies is owned by Fouad Assi, the general manager and principal shareholder of Al-Haram for Money Transfer.⁵⁶ Assi sparked controversy after videos circulated online showing him freely moving through Damascus while citizens accused him of acting as an economic proxy for Yassar Ibrahim, Bashar al-Assad's former economic adviser and a key member of the Bazzal-Hezbollah network in Syria.⁵⁷ Despite the backlash, Al-Haram for Money Transfer continues to operate normally.⁵⁸ Lebanese outlet Al-Modon reported that Assi, during the civil war, had maintained direct ties with the "secret economic office" at the Presidential Palace, reportedly overseen by Ibrahim and First Lady Asma al-Assad. According to the report, Assi was among those accused of extracting millions of dollars from Syrians and funneling them into Assad's treasury through speculative operations against the Syrian pound conducted via money-transfer companies.⁵⁹

If the Syrian government is willing to normalize the status of major businessmen who operated inside Assad's wartime economic system, it remains unclear whether Damascus genuinely intends to dismantle the broader commercial ecosystems that bolstered the Assad regime and facilitated sanctions evasion. The settlement model may ultimately recycle old wartime capital into Syria's new economy without fully exposing the underlying

51. U.S. Department of the Treasury, Press Release, "Treasury Designates Syrian Oligarch Samer Foz and His Luxury Reconstruction Business Empire," June 11, 2019. (<https://home.treasury.gov/news/press-releases/sm704>)

52. Ibid.

53. U.S. Department of the Treasury, Press Release, "Treasury Sanctions Syrian Financial Facilitators Under the Caesar Syrian Civilian Protection Act," May 30, 2023. (<https://home.treasury.gov/news/press-releases/jy1508>)

54. @Magedabdelnour1, X, April 18, 2025. (<https://x.com/Magedabdelnour1/status/1913225343550308858>)

55. U.S. Department of the Treasury, Press Release, "Treasury Sanctions Syrian Financial Facilitators Under the Caesar Syrian Civilian Protection Act," May 30, 2023. (<https://home.treasury.gov/news/press-releases/jy1508>)

56. U.S. Department of the Treasury, Featured Stories, "Treasury Targets Wide Range of Terrorists and Their Supporters Using Enhanced Counterterrorism Sanctions Authorities," September 10, 2019. (<https://home.treasury.gov/news/featured-stories/treasury-targets-wide-range-of-terrorists-and-their-supporters-using-enhanced-counterterrorism-sanctions-authorities-0>)

57. "Between Settlements and Exile: The Fate of Assad Regime Cronies," *The Syria Report*, June 11, 2025. (<https://syria-report.com/between-settlements-and-exile-the-fate-of-assad-regime-cronies>)

58. Ibid.

59. Ibid.

networks that sustained it. The state may recover portions of illicit wealth, but that does not necessarily mean it is conducting deep forensic reviews into companies that may have functioned as fronts or commercial partners for Hezbollah- and Iran-linked entities.

THE BAZZAL NETWORK: SANCTIONS TARGETS IN THE ASSAD ERA

During the first Trump administration's maximum pressure campaign against Iran and its proxies, and continuing through the Biden administration, the United States extensively targeted the revenue streams that enabled Hezbollah's activity. Washington focused on financial networks and key individuals within this ecosystem. Yet the pressure on Iran's economy also made Syria a more important hub for sanctions evasion and illicit finance, increasing Hezbollah's and the IRGC's reliance on the Syrian economy to move money. Despite years of U.S. targeting, an important layer of subsidiaries, partially owned entities, and commercial partners tied to these financial networks remained untouched.

Throughout the civil war, Hezbollah had embedded its commercial infrastructure within Syria's economy. Corporate entities tied through ownership or management to designated Hezbollah financiers have continued operating across manufacturing, import-export, real estate, and cross-border trading sectors, and Bazzal-linked companies continue to operate today. At the center of the network sit the Bazzal brothers. Around them revolves a cluster of already designated companies — Talaqi Group, Houkoul S.A.L., Tawafuk LLC, and Nagham al-Hayat — that Washington linked to Iranian oil smuggling, Hezbollah money laundering, and sanctions evasion tied to Syria. Within the ownership structure of these companies, the Bazzals hold a 99 percent stake, while Firas Nizar Sanduq, a Syrian accountant who is not sanctioned by the United States, holds the remaining 1 percent.

The significance of the network lies less in the companies already sanctioned than in their successor firms, along with partially owned entities that remained operational even after sanctions designations accumulated.

BAZZAL-LINKED COMMERCIAL COMPANIES IN SYRIA

This section examines eight companies identified within the Bazzal-linked commercial network. The companies fall into three overlapping categories. First are entities that may be automatically blocked under OFAC's 50 Percent Rule based on corporate records that confirm majority ownership by sanctioned individuals. Second are entities that may separately qualify for designation under Executive Order 13224 because they are controlled by, act for, or materially support a blocked person. Third are companies displaying risk indicators, including overlapping managers, shared addresses, low declared capitalization, and unusually broad commercial licenses, that warrant further investigation but do not independently establish a legal basis for designation.

Although the Assad regime's institutions were opaque and deeply corrupt, Syria continued to maintain relatively detailed corporate registration records throughout the civil war. These documents contained information on each company's shareholders, ownership percentages, registered addresses, directors, and amendments.

There is no publicly searchable online database of Syrian corporate filings. However, researchers have obtained and digitized a complete collection of official gazette issues of Syria's Ministry of Internal Trade and Consumer Protection, spanning the Bashar al-Assad era through the present, making it possible to track corporate registrations and subsequent changes over time. These records have been compiled and published through platforms such as

The Syria Report.⁶⁰ By reviewing dozens of corporate filings dating back to the civil war, it becomes possible to identify these entities' names, addresses, ownership structures, ownership changes, and management records.

More importantly, these records help show which companies appear to remain active. Under standard practice in Syria, when a company is dissolved or becomes defunct, the official gazette typically publishes a follow-up announcement to that effect. These records establish ownership, control, management, and commercial integration with sanctioned individuals and entities. For each company, the review included its founding charter and a name-based search of the available official-gazette indices for later amendments, dissolution notices, management changes, and changes to registered capital.

These eight companies, all unsanctioned except for Al-Ahed, stretch across multiple sectors, including battery manufacturing, copper trading, agribusiness, livestock development, import-export firms, and investment companies registered in Damascus, Rif Dimashq, and Homs. On paper, many of these businesses appear ordinary. In practice, the same names, addresses, shareholders, and directors repeatedly surface across companies tied to Hezbollah financiers, Assad-linked businessmen, and entities already sanctioned for supporting Hezbollah.

The available evidence is strongest concerning corporate structure and uneven concerning actual commercial activity. Treasury's June 2026 designation supplies transaction-level evidence for Al-Ahed, including contracts, project value, designated counterparties, and profit-sharing arrangements.

RIYADA LEAD MANUFACTURING

Riyada Lead Manufacturing is a battery and lead smelting company established in January 2018 in Adra Industrial City, northeast of Damascus.⁶¹ According to Syrian corporate filings, the ownership structure was divided almost perfectly into thirds. Talaqi Group — already sanctioned by the United States — controlled 33.3 percent. Another 33.3 percent belonged to Al-Ahed Trade and Investment, a Damascus company half-owned by sanctioned Assad financier Yassar Ibrahim.⁶² The remaining stake at the time of its founding belonged to Arab Renewable Energy, a Lebanese company that appears in public records almost nowhere, except for one revealing detail: It shares the same address as the sanctioned Talaqi Group.⁶³

The overlap goes deeper. Riyadh's original managing director was Mohammad al-Bazzal, according to the official gazette. In 2022, an updated decision showcased that the management had shifted to Ahmad Khalil Khalil, a Syrian businessman sanctioned by both the United Kingdom⁶⁴ and the European Union⁶⁵ for supporting the Assad regime. Still, Bazzal maintained ownership.⁶⁶ The EU identifies Khalil as a co-owner of Sanad Protection

60. "The Syrian Official Gazette," *The Syria Report*, accessed September 1, 2026. (<https://odd.syria-report.com>)

61. Syrian Ministry of Trade and Consumer Protection, Official Gazette, "العدد 21، الجزء 2" [Issue No. 12, Part 2], March 20, 2018. (https://odd.syria-report.com/official_gazette/-2018.-2الجزء-العدد12)

62. Syrian Ministry of Trade and Consumer Protection, Official Gazette, "العدد 83، الجزء 2" [Issue No. 38, Part 2], October 5, 2016. (https://odd.syria-report.com/official_gazette/-2016.-2الجزء-العدد83)

63. Syrian Ministry of Trade and Consumer Protection, Official Gazette, "العدد 21، الجزء 2" [Issue No. 12, Part 2], March 20, 2018. (https://odd.syria-report.com/official_gazette/-2018.-2الجزء-العدد12)

64. UK Foreign, Commonwealth & Development Office, "Ahmad Khalil Khalil," *UK Sanctions List*, accessed September 15, 2026. (<https://search-uk-sanctions-list.service.gov.uk/designations/SYR0392/Individual>)

65. "Ahmad Khalil Khalil," *EU Sanctions Tracker*, accessed September 15, 2026. (<https://data.europa.eu/apps/eusanctionstracker/subjects/141872>)

66. UK Office of Financial Sanctions Implementation, "Syria Designation Details: SYR0392," May 1, 2025. (<https://search-uk-sanctions-list.service.gov.uk/designations/SYR0392/Individual>)

and Security Services, a Wagner Group-supervised Syrian company involved in protecting Russian phosphate, gas, and oil interests that generated revenue for the Assad regime. The United Kingdom similarly sanctioned him for supporting and benefiting from the Syrian regime through his control of businesses and associations with other regime-linked persons. Neither notice names Riyada, Houkoul, Al-Ahed, or the other companies examined in this memo.

Khalil also serves as managing director of Houkoul S.A.L., another Bazzal-linked company sanctioned by the U.S. government.⁶⁷

According to Riyada's charter, the company is licensed to smelt lead from used batteries and manufacture industrial battery cells containing manganese dioxide, mercury oxide, and silver oxide. Riyada remains operational today, openly advertising its production through social media pages inside Syria.⁶⁸

AL-SHUAA COPPER COMPANY

Al-Shuaa Copper Company was established in March 2018 in Rif Dimashq.⁶⁹ Tawafuk LLC, a sanctioned Hezbollah-linked front company, owns half the company.⁷⁰ Zakaria Ali al-Abras, a Syrian businessman, owns the remaining 50 percent.⁷¹ Officially, Shuaa trades copper products, invests in assets, leases property and vehicles, and participates in public and private tenders.⁷² Those broad authorities mirror the same multifunctional commercial activity repeatedly associated with Hezbollah financial tradecraft.

RIMAS FEED COMPANY

Rimas Feed Company was registered in September 2018 in Hasya Industrial City, Homs governorate.⁷³ At first glance, the company appears to be a conventional agribusiness enterprise specializing in animal feed, meat products, dairy, fish, flour, and agricultural imports.⁷⁴ But the ownership structure again reveals a familiar constellation of actors. Twenty-five percent belongs to Nagham al-Hayat, another sanctioned Bazzal-linked entity.⁷⁵ Another 25 percent belongs to Al-Ahed Trade and Investment, tying the company directly back to Ibrahim and Khalil, both of whom were Assad financiers and sanctioned individuals.

Rimas Feed Company's founding charter was approved in September 2018. An amendment to Article 7 followed in December 2018, and the official gazette index records another general assembly decision in May 2023. The general assembly refers to the company's principal shareholder/owner decision-making body and consists of all shareholders of the company's equity interests. None of the charters showed any change in ownership or directorship.

67. Riyada Lead Industries, *Facebook*, accessed September 1, 2026. (<https://www.facebook.com/p/Riyada-Lead-Industries-61551728708516>)

68. Syrian Ministry of Trade and Consumer Protection, Official Gazette, "العدد 62، الجزء 2" [Issue No. 26, Part 2], June 28, 2018. (https://odd.syria-report.com/official_gazette/-2018-2-العدد62-الجزء2)

69. Ibid.

70. Ibid.

71. Ibid.

72. Ibid.

73. Syrian Ministry of Trade and Consumer Protection, Official Gazette, "العدد 50، الجزء 2" [Issue No. 50, Part 2], December 20, 2018. (https://odd.syria-report.com/official_gazette/-2018-2-العدد50-الجزء2)

74. Ibid.

75. Ibid.

The remaining shares expose additional connective tissue within the network. One shareholder, Mohammad Zuheir Qazweeni, is a Syrian businessman active in veterinary pharmaceuticals and agriculture. He also co-owns Afaq Livestock Development with Mohammad al-Bazzal.⁷⁶

AL-SANABEL AL-KHADRA LLC

Al-Sanabel al-Khadra LLC, founded in October 2018 in Rif Dimashq, is 80 percent owned by Mohammad al-Bazzal, who also serves as managing director.⁷⁷ The company's business mandate is strikingly broad. It can trade food products, establish slaughterhouses, import fruits and vegetables, and sell furniture, electronics, tires, plastics, vehicles, construction materials, machinery, and mechanical supplies.⁷⁸ Such expansive licensing appears to allow the company to justify an enormous range of commercial transactions under a single legal umbrella and gives it the kind of flexibility that makes front companies difficult to isolate.

AFAQ LIVESTOCK DEVELOPMENT

Afaq Livestock Development, founded in November 2018, follows a nearly identical template. Mohammad al-Bazzal owns 80 percent of the company, with Qazweeni holding the remaining stake.⁷⁹ Officially, Afaq focuses on livestock, poultry farms, slaughterhouses, and agricultural trade. But its charter also grants broad import-export authorities and access to tenders and auctions.⁸⁰ A general assembly decision was approved on May 31, 2020, as per the official gazette. The updated gazette clarified that Bazzal's original 80 percent stake persisted.

RAYYANA LLC

Rayyana LLC, founded in March 2018, adds a technology-focused company to the cluster of firms linked through Bazzal-family ownership. Rashid al-Bazzal owns 90 percent of the company, per the official gazette, while Ahmad Mohammad Zuheir al-Raie, a Syrian businessman, holds the remaining shares.⁸¹ Rayyana's authorities extend into construction materials, contracting work, software, information technology, electronics, networks, machinery, and stock ownership in other companies. Before 2023, Mohammad al-Bazzal served as managing director.⁸²

AL-AHED TRADE AND INVESTMENT

Threaded through nearly every company is Al-Ahed Trade and Investment, perhaps the clearest bridge between Hezbollah-linked financial actors and Assad's inner economic circle. Founded in Damascus in 2016, Al-Ahed is equally owned by Ibrahim and Bassel Nader Mansour, one of Ibrahim's business associates.⁸³ The company's

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76. Syrian Ministry of Trade and Consumer Protection, Official Gazette, "الجزء 2، العدد 44 [Issue No. 44, Part 2]," November 8, 2018. (https://odd.syria-report.com/official_gazette/-2018-2-الجزء-44-العدد)

77. Ibid.

78. Ibid.

79. Syrian Ministry of Trade and Consumer Protection, Official Gazette, "الجزء 2، العدد 40 [Issue No. 04, Part 2]," January 31, 2019. (https://odd.syria-report.com/official_gazette/-2019-2-الجزء-40-العدد)

80. Syrian Ministry of Trade and Consumer Protection, Official Gazette, "الجزء 2، العدد 44 [Issue No. 44, Part 2]," November 8, 2018. (https://odd.syria-report.com/official_gazette/-2018-2-الجزء-44-العدد)

81. Syrian Ministry of Trade and Consumer Protection, Official Gazette, "الجزء 2، العدد 51 [Issue No. 15, Part 2]," April 12, 2018. (https://odd.syria-report.com/official_gazette/-2018-2-الجزء-51-العدد)

82. Ibid.

83. Syrian Ministry of Trade and Consumer Protection, Official Gazette, "الجزء 2، العدد 83 [Issue No. 38, Part 2]," October 5, 2016. (https://odd.syria-report.com/official_gazette/-2016-2-الجزء-83-العدد)

license allows it to establish investment companies, participate in tenders, create industrial and agricultural projects, and conduct import-export operations across multiple sectors. Khalil is managing director and sits on the board of multiple aforementioned companies.⁸⁴

NAJM AL-SHARQ LLC

Najm al-Sharq, or Oriental Star LLC, was founded in September 2016.⁸⁵ Ninety-nine percent of the company is owned by Ali Abdunour Shaalan, a Lebanese national sanctioned by the United States in 2015 for serving as Hezbollah's "point person for the procurement and transshipment of weapons and materiel for the group and its Syrian partners."⁸⁶ Shaalan was also close to Qasir, Mohammad Bazzal's father-in-law, and served as his business partner in illicit activity benefiting Hezbollah.⁸⁷

The remaining 1 percent stake is owned by Firas Naser Sanduq, one of the Bazzals' business partners and a co-founder of the three designated companies in the network. Sanduq is a licensed accountant with a degree from Damascus University.⁸⁸ In July 2016, he rented a property in Yalda, Rif Dimashq province, which has served as Oriental Star LLC's registered address, according to the July 20, 2016, edition of *Al-Baath* newspaper.⁸⁹ The company's listed business activities include textile products and contracting, and Sanduq is also listed as its managing director.

A SURPRISING LACK OF CAPITAL

The network's structure mirrors the ownership patterns and corporate profiles of sanctioned entities operating within Hezbollah's financial orbit. Although open-source evidence directly tying these companies to material support for Hezbollah remains limited, their ownership, control, or management by SDGTs linked to Hezbollah sanctions-evasion schemes — combined with their unusually broad commercial licenses — strongly suggests that they remain part of Hezbollah's residual financial infrastructure in Syria.

Another revealing feature of these companies is the striking gap between the scale of their supposed business activities and the small amounts of capital they officially declared. On paper, many of these firms present themselves as major commercial and investment enterprises that typically require substantial financing and liquidity. In practice, their registered capital often amounts to little more than a few thousand dollars.

Al-Ahed Trade and Investment illustrates this pattern. According to its trade registration, the company is licensed to engage in expansive activities, including "importing and exporting all goods allowed in the agricultural and commercial sectors," establishing real estate projects, and creating and managing investment companies.⁹⁰ Yet

84. Ibid.

85. "Orient Star LLC," *The Syria Report*, September 27, 2016. (https://syria-report.com/new_companies/orient-star-llc)

86. U.S. Department of the Treasury, Press Release, "Treasury Sanctions Hizballah Leaders, Military Officials, And An Associate In Lebanon," July 21, 2015. (<https://home.treasury.gov/news/press-releases/jl0121>)

87. Albin Szakola, "Syrian Accountant's Alleged Hezbollah Fronts," *Levant Networks*, January 23, 2020. (<http://www.levantnetworks.com/2020/01/23/syrian-accountants-alleged-hezbollah-fronts>)

88. Ibid.

89. Tal Beeri, "Ali Abd Al Nur Shalan: purchasing and transporting weapons – Hezbollah's point person," *Alma Research and Education Center*, June 2021. (<https://israel-alma.org/wp-content/uploads/2021/06/Ali-Abd-Al-Nur-Shalan-purchasing-and-transporting-weapons-Hezbollahs-point-person.pdf>)

90. Syrian Ministry of Trade and Consumer Protection, Official Gazette, "الجزء 2، العدد 83 [Issue No. 38, Part 2]," October 5, 2016. (https://odd.syria-report.com/official_gazette/-2016-2-الجزء-38)

despite these sweeping authorities, the company's registered capital in 2016 stood at just 1 million Syrian pounds, equivalent to roughly \$2,000 at the time.⁹¹ It is difficult to reconcile such minimal capitalization with the scale of operations the company purportedly intended to conduct.

The same pattern appears across the broader network. Shuaa Copper declared a capital of only 5 million Syrian pounds, while Afaq Livestock Development reported similarly negligible capitalization despite operating in a sector that ordinarily requires significant investment in land, feed, transportation, and equipment. These discrepancies suggest that these companies fit the profile of firms that maintain the outward appearance of legitimate business activity while relying on opaque financing streams and hidden beneficial ownership structures to facilitate broader financial operations.

ELIGIBILITY FOR SANCTIONS

Under OFAC's 50 Percent Rule,⁹² any entity that is owned 50 percent or more, directly or indirectly, individually or in aggregate, by one or more SDNs is itself considered blocked — that is, subject to sanctions — even if it does not appear by name on the SDN List. In practice, this means that an entity becomes sanctioned “by operation of law.” Such entities are treated as blocked persons under U.S. sanctions authorities, and U.S. persons are generally prohibited from engaging in transactions with them, regardless of whether OFAC has publicly designated them.⁹³

Some of the eight companies analyzed above exceed the 50 percent threshold by a wide margin. The cleanest direct-majority cases are Rayyana, whose founding records show 90 percent ownership by Rashid al-Bazzal; Al-Sanabel and Afaq, each shown at formation as 80 percent owned by Mohammad al-Bazzal; and Najm al-Sharq, whose founding records show 99 percent ownership by designated Hezbollah procurement facilitator Ali Abdalnour Shaalan.

In contrast, three others — Riyada, Rimas, and Al-Shuaa — depend on aggregated or exact-threshold ownership to trigger the 50 Percent Rule. Riyada's founding records show more than 50 percent held collectively by Talaqi Group and al-Ahed. Rimas's original records show 25 percent held by Nagham al-Hayat and 25 percent by al-Ahed, reaching exactly 50 percent. Al-Shuaa's founding records show Tawafuk holding exactly 50 percent.

Entities that currently meet the 50 percent threshold must be treated as blocked in transactions subject to U.S. jurisdiction. The 50 Percent Rule does not, by itself, make their continued operation inside Syria unlawful. Their licensing and operation nevertheless warrant scrutiny by Damascus where ownership, management, or operational control remains tied to Hezbollah financiers and designated sanctions-evasion networks.

POLICY RECOMMENDATIONS FOR WASHINGTON

1. The United States should treat Hezbollah's commercial infrastructure in Syria as a counterterrorism issue.

The collapse of the Assad regime may have disrupted Hezbollah's military entrenchment in Syria, but it left behind Assad-era companies with ownership and management ties to Hezbollah financiers and entities. Washington should treat these ties and any resulting illicit-finance risks both as a counterterrorism problem and as a component of its broader economic campaign against Iran.

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⁹¹. Ibid.

⁹². U.S. Department of the Treasury, Office of Foreign Assets Control, “Entities Owned by Blocked Persons (50% Rule),” Frequently Asked Questions, August 13, 2014. (<https://ofac.treasury.gov/faqs/topic/1521>)

⁹³. Ibid.

2. The United States should treat the remaining Bazzal-linked companies as priority enforcement and designation leads.

Treasury should investigate and, where the evidence supports a determination under Executive Order 13224, designate the companies whose current records show ownership and managerial ties of at least 50 percent by one or more SDGTs. These companies, including Al-Sanabel al-Khadra, Afaq Livestock Development, Rayyana, Najm al-Sharq, Riyada Lead Manufacturing, Rimas Feed Company, and Al-Shuaa Copper Company, are already blocked by operation of OFAC's 50 Percent Rule. But 50 percent ownership alone does not substitute for the affirmative determination required for a separate designation. Treasury should develop the evidentiary record needed to establish an applicable Executive Order 13224 criterion, such as that an entity is owned, controlled, or directed by a blocked person; acts for or on behalf of one; materially assists with, sponsors, or provides financial, material, or technological support to one; or supplies goods or services to one.

Separate designation would add value even where a company is already blocked by operation of law. Publicly naming the entity on the SDN List would make its status more visible to banks and other counterparties whose compliance systems screen directly against OFAC-listed names. It would also sharpen the sanctions risk for foreign financial institutions that knowingly conduct or facilitate significant transactions for designated people under Executive Order 13224.

3. The United States should issue a public advisory on Hezbollah-linked financial typologies in Syria.

Treasury should alert banks and investors to warning signs, including unusually broad trade licenses, low declared capitalization inconsistent with business scope, and overlapping managers and ownership with already sanctioned actors.

4. The United States should press Damascus to review, suspend, and revoke suspect licenses.

The Trump administration has built a warm relationship with Damascus, extending sanctions relief and signaling support for Syria's recovery. That goodwill gives Washington leverage. U.S. support for Syria's recovery cannot become cover for the survival of Hezbollah's wartime financial infrastructure. If the new Syrian government wants continued international confidence, it should demonstrate that it is not merely hostile to Hezbollah politically but also serious about dismantling Hezbollah's financial networks. Washington and its partners should push Syria to examine firms linked to designated Hezbollah facilitators, sanctioned entities, and Assad-era sanctions-evasion actors. Companies operating under broad commercial mandates should face scrutiny when their ownership or management overlaps with U.S.-designated individuals.

5. The United States should push Syria to work with the Financial Action Task Force.

The Financial Action Task Force is an intergovernmental body dedicated to countering money laundering and terror finance. It establishes global standards and seeks to evaluate whether countries are taking sufficient action to mitigate threats. Given that the Assad regime functioned in a manner akin to a criminal syndicate, Damascus will have to build, essentially from scratch, the legal and institutional infrastructure to prevent and punish illicit finance of all kinds. Yet there is presently no indication that Syria has undergone a meaningful on-site FATF assessment since the fall of the Assad regime.

Washington should encourage Damascus to facilitate such an evaluation and use the process to identify gaps in Syria's anti-money laundering and counterterrorism financing regime. Cooperation with FATF should become a benchmark for determining whether Syria's financial opening is matched by credible enforcement reforms.

But it should not be the only benchmark. FATF has shown that it often focuses more on whether appropriate laws and institutional structures exist, rather than asking if they function as intended. Therefore, Washington will likely need to determine, potentially in concert with allies, if Damascus is making a serious commitment to countering illicit finance. To that end, Washington can offer technical assistance to the financial intelligence unit Damascus has established within its central bank while monitoring the unit's performance to ensure it serves as more than a fig leaf.

6. The United States should insist that Damascus monitor and hold accountable rehabilitated Assad-era business leaders.

Sharaa's government is allowing leading figures in the Assad regime's business networks to essentially buy forgiveness for their crimes by reaching a financial settlement with the new government. This is a flawed policy reflective of a broader failure by the post-Assad authorities to hold their predecessors accountable for their immense crimes. It may be difficult to undo these arrangements, but Washington can insist that these settlements do not become *carte blanche* for returning to illicit finance with impunity. If the parties to such settlements return to enabling terrorist organizations, including Hezbollah, and participate in or facilitate sanctions evasion, Washington should insist that Damascus investigate and prosecute them. If Sharaa's government does not do so, the United States and its partners should work with FATF to hold Damascus accountable.

Conclusion

Hezbollah's military presence in Syria has largely disappeared, but the financial networks the group built under Assad have proven far more durable. The continued presence of the Bazzal network demonstrates that Damascus's break with Iran and Hezbollah has not yet extended to systematically dismantling the financial infrastructure that once sustained them. Washington should therefore press Syria to strengthen its counter-illicit-finance enforcement while Treasury investigates and, where the evidence satisfies the criteria under Executive Order 13224, designates companies and individuals still operating within Hezbollah-linked commercial networks. If the United States fails to address this infrastructure now, Syria's economic reopening could allow Hezbollah to preserve — and eventually rebuild — the financial networks it needs to regenerate.

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