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Investing in Post-Conflict Syria: Opportunities and Challenges Legal, Constitutional, and Institutional Considerations

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1. Syria is re-emerging onto the regional investment map after 14 years of armed conflict, economic collapse, institutional fragmentation, and international sanctions. The progressive easing of sanctions, the resumption of diplomatic engagement, and the transitional government's reconstruction policy have reignited foreign investor interest.

2. The legal environment, institutional framework, and investment landscape in Syria remain structurally distinct from those of other emerging markets. Whilst its estimated US\$1tr investment potential and US\$216bn recovery and reconstruction needs make of Syria a significant economic opportunity, the country is also characterised by a complex constellation of ongoing constitutional transition, weak administrative governance, uneven judicial reorientation, and systemic enforcement deficiencies.

3. Drawing from recent constitutional changes, legislative developments, and judicial practice, this new issue of *Insight* reflects on some of the legal issues that investors should take into consideration when contemplating investment in Syria. It examines whether Syria's evolving legal framework is capable of translating the transitional government's declared openness into tangible investment protection, legal certainty, and due process. It focuses on the interplay

between investment legislation, institutional architecture, and dispute-resolution mechanisms.



Figure 1 Palmyra: Ancient oasis city in the Syrian desert, Palmyra was a major cultural crossroads whose 1st–2nd century monuments blend Graeco-Roman, local, and Persian influences.

4. For ease of presentation, this *Insight* is divided into seven sections:

- (I) Economic context and reconstruction-driven investment;
- (II) Evolution of Syria's investment legislation;
- (III) Investment doctrine and investor's rights, guarantees and obligations;
- (IV) Constitutional doctrine and *Sharia*-based constraints;
- (V) Institutional architecture and separation-of-powers concerns;
- (VI) Rule of law and transparency;
- (VII) Dispute-resolution and enforcement.

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I. Economic Context and Reconstruction-Driven Investment

5. Prompted by the civil war and the ensuing international sanctions, Syria's economic collapse ranks among the most severe contractions in recent decades. Whilst the World Bank described Syria as a "lower medium country" before the armed conflict which started in 2011, real GDP has fallen by more than 50 percent since 2010. Industrial production, tourism, and export agriculture have largely disintegrated. Currency depreciation has decimated purchasing power and depleted household savings. Government revenues remain severely limited, while public debt and arrears have mounted. The material destruction is equally extensive. Energy production and transmission networks operate far below their pre-conflict capacity. Large segments of the transport infrastructure require complete reconstruction. Housing stock has been destroyed on a massive scale. Water, sanitation, and telecommunications systems face chronic deterioration.¹

6. Whereas the latest available classifications indicate weaknesses in Syria's business environment² during the armed conflict, the scale of devastation has effectively transformed large parts of Syria into an economic wasteland. The World Bank estimates that the physical reconstruction of damaged infrastructure and buildings alone will exceed US\$216bn for the period 2011-2024. This figure is conservative, as it excludes institutional, human, and social losses.³ Syria's transitional authority has put forward significantly higher estimates. The Minister of Economy and Industry stated that the often-cited figure of US\$400bn underestimates the true scale of reconstruction needs, and that investment opportunities in Syria could exceed US\$1tr if the redevelopment of productive sectors is taken into account.⁴

7. These figures reflect a structural reality: public finances cannot, on their own, rebuild the country. Large-scale participation by private and foreign capital is indispensable. Whilst the Syrian economy reveals signs of recovery in the first year

of transition,⁵ the decisions taken during this transition period will have considerable implications for Syria and the entire region, making a coordinated and inclusive recovery strategy essential.⁶ In addition to the need for political stability and a representative elected government,⁷ reconstruction projects are capital-intensive, long-term, and subject to strict regulation. They depend on stable land rights, enforceable contracts, predictable tariffs, currency convertibility, and reliable dispute-resolution mechanisms. The more uncertain these elements become, the higher the risk premium.

In sum, Syria presents a dual profile: significant commercial opportunities coupled with elevated legal and institutional risk.



Figure 2 Aleppo Citadel: A massive fortified palace rising above Aleppo, the Citadel is one of the world's oldest and largest castles, reflecting centuries of Syrian, Islamic, and medieval military architecture.

II. Evolution of Syria's Investment Legislation

8. Syria's investment legislation has evolved through gradual layering rather than comprehensive overhaul. Syria's modern investment regime began with Investment Law No. 10 of 1991. Analysed as a "new deal" intended to reshape the conditions for investment in the Syrian market,⁸ this legislation marked an important first step towards an economy open to foreign investment. It allowed private and foreign investors access to sectors previously monopolised by the State, introduced tax and customs exemptions, and formally established equal treatment between Syrian and foreign

investors. However, its implementation remained largely discretionary. The authorities kept broad powers to determine whether a project fell within the scope of the law, fostering regulatory opacity and rent-seeking.

9. Further steps towards liberalisation followed under Law No. 7 of 2000. They expanded investors' ownership rights and facilitated greater freedom of capital transfer, but failed to resolve systemic fragmentation. Issued on 27 January 2007, Legislative Decree No. 8 of 2007 repealed Law No. 10 and sought consolidation. It introduced guarantees against expropriation, authorised the repatriation of profits, and permitted recourse to international dispute settlement mechanisms such as the Arab Investment Court.⁹ Nevertheless, the investment regime remained administratively centralised and license-based.



Figure 3 Umayyad Mosque: Located in the heart of Damascus, the Umayyad Mosque is one of the oldest and most important mosques in the world, renowned for its grand architecture and its role as a masterpiece of early Islamic art.

10. Investment Law No. 18 of 2021 replaced Decree No. 8 of 2007 and consolidated scattered investment instruments into a single statute. It clarified investor rights, tax incentives, and administrative procedures, and reaffirmed protections against seizure and expropriation subject to judicial decision and compensation equivalent to the true value of the project. Amendments to Law No. 18, adopted in 2023, refined definitions and streamlined certain procedures. Yet these changes did not fundamentally alter investors' perception, particularly in light of the political uncertainty at the time and the persistence of international sanctions.

11. The most consequential shift occurred following the fall of the Assad regime on 8 December 2024, with the issuance of Decree No. 114 of 2025, amending Investment Law No. 18 of 2021. The new transitional authorities acknowledged that additional guarantees were necessary to encourage investors and to support reconstruction. Decree No. 114 of 2025 introduced enhanced procedural protections, including restrictions on attachments, clearer rules on expropriation and compensation, stabilisation of procedural and financial burdens by reference to the procedural guide¹⁰ applicable at the time of licensing, a six-month cure period prior to license revocation, and the extension of statutory guarantees to projects implemented under BOT, BOO, and PPP models.¹¹

12. Despite these improvements, the fundamental regulatory logic of the investment regime remained largely unchanged. The system continues to operate on a prior licensing model in which only approved investments benefit from legal guarantees and incentives, and where investors remain subject to thorough administrative control throughout the project lifecycle.

III. Investment Doctrine and Investor's Rights, Guarantees and Obligations

13. The Constitutional Declaration (الإعلان الدستوري) issued by the transitional authorities on 13 March 2025 articulates an economic doctrine grounded in market principles, social justice, and investment promotion. Article 11 provides that the national economy shall aim to achieve social justice, inclusive economic development, increased production, and improved living standards, operate on the basis of free and fair

competition and the prevention of monopolies, and encourage investment while protecting investors within an attractive legal environment. These constitutional principles reflect a commitment to a type of mixed-market economy that is formally compatible with private ownership, foreign investment, and competitive enterprise.

14. Investment Law No. 18 of 2021, as amended, is in line with these constitutional principles. It sets out the core principles governing investment activity, including the stability of investment promotion policies, freedom of investment coupled with anti-monopoly safeguards, fairness and equal treatment in the allocation of investment opportunities, administrative efficiency and procedural simplification, and due consideration of environmental, public health, and social dimensions.¹² These principles align with recognised international investment law and investor-protection standards.¹³

15. In addition, the Investment Law provides a broad range of statutory guarantees, including protection against precautionary measures, prohibition of expropriation except pursuant to a court decision that is final and against compensation equivalent to the true value of the project, determined on the basis of the prevailing market price at the date of expropriation, the right to transfer profits and foreign capital, stabilisation of procedural and financial burdens by reference to the procedural guide applicable at the time of licensing, a six-month cure period prior to license revocation, and the extension of statutory guarantees to projects

implemented under BOT, BOO, and PPP models.¹⁴

16. Furthermore, the Investment Law establishes a generous system of customs exemptions¹⁵ and fiscal incentives for investment projects, with particular emphasis on agricultural, industrial, and recycling activities, as well as projects located in development zones.¹⁶ The Supreme Council for Economic Development (SCED) (المجلس الأعلى للتنمية الاقتصادية) may further allocate parcels of state-owned land to investors, according to fair economic basis, taking into account the feasibility, type, and location of the project.¹⁷



17. These incentives are structured within a regulatory framework that seeks to balance investment promotion with administrative oversight. Like other economies in the region, such as Egypt, Jordan and Algeria,¹⁸ the Investment Law formally adopts the one-stop-shop model through the creation of the Investor Service Center (مركز خدمات المستثمرين), bringing together representatives of relevant public authorities

with duly delegated powers.¹⁹ This Center is responsible for centralising investment authorisation procedures and coordinating approvals among the relevant public authorities. It remains to be seen whether it will operate as a genuine independent decision-making body rather than simply a facilitation and coordination mechanism.

18. The Investment Law further grants administrative guarantees. Public authorities are required to decide on investment license applications within 30 working days.²⁰ If an investment license application is rejected, the

decision must be reasoned and investors have the right to appeal within 30 days before the Board of the Syrian Investment Authority (SIA) (هيئة الاستثمار السورية).²¹ Appeals must be decided within 15 days.²² Foreign investors are granted a temporary residence permit for one year, which may be renewed until the investment license is issued and the project is completed and put into operation.²³ The above notwithstanding, the legal technique employed is decisive. Investor protections are not conceived as inherent personal rights. Instead, they are framed as regulatory guarantees attached to the possession of a valid investment licence. The licence is therefore constitutive of the right: absent a duly issued licence, or in the event of its revocation, the statutory protections are unlikely to be available.

19. Against these statutory rights and guarantees, the Investment Law imposes various obligations on investors, aiming at supporting local needs and regulatory oversight, including completing any transfer of project ownership through the SIA, notifying it of project commencement and actual costs, obtaining local insurance coverage, maintaining accounts in accordance with international standards, paying due taxes and fees, providing requested information, complying with applicable laws and international obligations, contributing to the infrastructure, prioritising Syrian companies and at least 60% local employment where feasible, and adhering to environmental and occupational safety regulations.²⁴

20. In summary, the Syrian investment model reflects a state-centric investment paradigm typical of a post-conflict economy: generous incentives and guarantees are balanced by extensive regulatory oversight, local-content requirements, and significant reporting duties. It remains primarily administrative and protective rather than rights-generating. This framework may be perceived as increasing exposure to disputes arising from licensing decisions, compliance assessments, interpretation of procedural guides, and administrative delay. Accordingly, although the law purports to reduce

sovereign risk, regulatory risk continues to characterise the Syrian investment environment in practice.

IV. Constitutional Doctrine and *Sharia*-Based Constraints

21. National laws play a central role in assessing investment risks. Yet, their implications for the practical investment process, including licensing, approvals, and regulatory compliance, are often overlooked. The Syrian constitutional and civil-law framework are no different. Article 1 of the Syrian Civil Code (enacted 1948) establishes a normative hierarchy of sources, placing statutory law at the apex, followed by Islamic *Sharia*, customs, and finally the principles of natural law and equity. The practical significance of this waterfall provision has expanded following the Constitutional Declaration issued by the transitional authorities on 13 March 2025, which elevated Islamic jurisprudence (*fiqh*),²⁵ from a *primary source* of legislation to *the primary source* of legislation.²⁶ *Sharia* is therefore no longer only a supplementary source of law, but a binding constitutional norm, capable of invalidating or disapplying statutory provisions that are deemed to contravene its principles.

22. For foreign investors, the decisive issue is not abstract constitutional theory, but the concrete adjudication of monetary obligations and reparations by way of damages. A case in point is the ruling on 5 November 2025 by the Syrian Court of Cassation, sitting in plenum, that statutory provisions of the Civil Code permitting the award of interest are inapplicable. Relying on the Constitutional Declaration, the Court established a general binding principle compelling all Syrian courts to refrain from applying any statutory provision or judicial precedent allowing the award of legal interest or other forms of time value of money in respect of debts, therefore holding that monetary obligations incorporating interest are contrary to the new public policy considerations set out in the Constitutional Declaration.²⁷

23. From a separation-of-powers standpoint, the Court of Cassation's decision is not only inconsistent with the principle of legislative stability during the transition constitutional period in Syria,²⁸ it also departs from the classical conception of judicial function in *civili* law systems. As articulated by Montesquieu, "*les juges de la nation ne sont que la bouche qui prononce les paroles de la loi, des êtres inanimés qui ne peuvent en modérer ni la force ni la rigueur.*" Within the civil law tradition, courts are entrusted with the interpretation and application of legislation, not with abolishing, suspending, or rewriting statutory provisions, functions that belong exclusively to the legislature. In this respect, the Supreme Court's reasoning also diverges from the approach adopted by Egyptian constitutional jurisprudence in comparable circumstances.²⁹



Figure 4 Krak des Chevaliers: One of the best-preserved medieval castles in the world, Krak des Chevaliers is a Crusader fortress in western Syria, showcasing outstanding military architecture from the 12th–13th centuries.

24. From an investment perspective, this new line of judicial authority has direct systemic consequences in terms of legal certainty: damages awards incorporating interest may face partial set aside or refusal of recognition or enforcement, and contractual interest clauses may be unenforceable. This jurisprudential approach is inconsistent with the principle of full reparation, as recognised in international law³⁰ and generally reflected in domestic laws, including in many countries applying Sharia as a source of law.³¹

25. The Syrian Investment Law itself is silent on interest. The Constitution and the hierarchy of civil law sources in the Civil Code fill this normative gap. Unless mitigated through Sharia-compliant contractual structures, alternative compensation mechanisms, or treaty-based international law protections, the doctrinal shift stemming from the Court of Cassation's decision outlawing interest materially alters Syria's legal risk profile. Notably, the risk affects not only future projects, but also existing investments whose financial models were structured on different assumptions. Where contracts or arbitral awards grant an entitlement to interest, investors may face partial depreciation at the enforcement stage. This gives rise to a two-tiered system: international law treaties may recognise and enforce entitlement to interest as part of the general principle of full reparation, while national public policy may reject it. This structural tension lies at the core of the emerging legal risk facing investments in Syria.

V. Institutional Architecture and Separation of Powers

26. Under the Investment Law, investment governance in Syria is organised around a dual institutional structure. The SCED is entrusted with approving national investment strategies, policies, and plans,³² while the SIA is responsible for implementing those policies, granting investment licences, issuing Procedural Guides, and coordinating approvals with competent public entities. The SIA is an autonomous body with a distinct legal personality and financial and administrative autonomy, yet it is organically affiliated with the Presidency of the Republic,³³ and its Board members are appointed by presidential decree.³⁴

27. From an institutional perspective, the SIA belongs to the category of public agencies that combine regulatory, supervisory, and management functions,³⁵ but with limited structural autonomy.³⁶ This model constrains the capacity of SIA to act as an effective advocate for investors. While SIA coordinates with sectoral

ministries and regulators, it does not enjoy hierarchical authority.

28. From a constitutional perspective, this governance architecture raises questions concerning the separation of powers. Decree No. 114 of 2025, which amended the Investment Law, establishes and restructures public institutions, alters institutional affiliation, and modifies the legal effects attached to investment licences. Such measures are legislative in substance, as they determine rights, obligations, and institutional competences. However, they were issued by means of an executive decree. Under Syrian constitutional law, fundamental rules governing rights and obligations are traditionally reserved to the legislative authority. Where executive instruments exercise such normative functions, issues of *ultra vires* or excess of executive authority arise.

29. For foreign investors, the implications are concrete. If core elements of the investment regime rest on executive decrees rather than statutes enacted by the legislature, they remain vulnerable to policy-prompted amendment, repeal, or legal challenge. This fragility undermines legal certainty, which is essential for capital-intensive and long-horizon projects.

30. It should further be noted that the new Constitutional Declaration vests legislative power exclusively in the People's Assembly until the adoption of a permanent constitution and the holding of new legislative elections.³⁷ The Constitutional Declaration does not grant the President of the Republic authority to enact legislation or legislative decrees. Nevertheless, the interim President has issued several decrees with legislative effect,³⁸ particularly in the economic sphere, including decrees establishing a sovereign wealth fund,³⁹ a development fund,⁴⁰ and amending the Investment Law. This may raise questions of constitutional uncertainty surrounding the normative foundations of Syria's investment framework.

VI. Rule of Law and Transparency

31. Syrian law mandates the publication in the Official Gazette of laws, legislative decrees, regulatory decrees and government decisions, decrees approving contracts or agreements to which the State is a party, and decisions of the registration of foreign companies.⁴¹ This publication is not a mere formality: under Syrian administrative law, it constitutes a condition of legal validity and enforceability towards third parties. Unpublished legislative or executive measures may raise questions about their binding legal effect with respect to third parties.



Figure 5 Roman Bosra: Ancient city in southern Syria, Bosra is famed for its remarkably preserved Roman theatre and ruins that reflect its importance as a major Roman and early Christian center.

32. Despite this framework, it has been observed that a number of economic protocols, investment agreements, and memoranda of understanding have been concluded by the transitional authorities without publication in the Official Gazette. The lack of systematic publication may be considered as increasing opacity and possibly undermining legal certainty.

33. From an investment perspective, the consequences are immediate and tangible. First, investors may not be able reliably to ascertain the existence, content, or legal status of binding state commitments. Second, foreign courts and arbitral tribunals applying Syrian law may have difficulty accessing the full applicable legal framework governing State undertakings. Third, domestic

courts may refuse to recognise or enforce instruments that have not met the legal disclosure requirements. In this sense, transparency gaps may lead to an enforceability risk.

VII. Dispute Resolution and Enforcement

(A) Arbitration under Syrian Law

34. Under the Investment Law, disputes may be resolved through: (i) amicable means (conciliation and mediation); (ii) arbitration according to the applicable legislations and relevant international conventions; and (iii) the competent national courts.⁴²

35. Arbitration in Syria is governed by Arbitration Law No. 4 of 2008,⁴³ which marked a significant departure from the former court-centred arbitration regime. At a theoretical and structural level, the Arbitration Law appears modern, internationally oriented, and formally aligned with global standards. It is inspired by the UNCITRAL Model Law on International Commercial Arbitration, notably through its recognition of party autonomy,⁴⁴ the separability of the arbitration agreement,⁴⁵ and the principle of competence–competence.⁴⁶ Similar to the French arbitration system, it distinguishes and between domestic and international arbitration.⁴⁷



Figure 6 Norias of Hama: The Norias of Hama are giant medieval wooden waterwheels on the Orontes River, once used to lift water for irrigation and the city's gardens, and today stand as iconic symbols of traditional Syrian engineering.

36. Reflecting a policy objective of promoting and institutionalising a pro-arbitration culture in Syria, the Arbitration Law further permits the establishment of permanent arbitration centres by decision of the Minister of Justice and under the supervision of the Judicial Inspection

Department at the Ministry of Justice.⁴⁸ Significantly, the Investment Law authorises the establishment of a specialised arbitration centre for investment disputes within the SIA or other institutions.⁴⁹ At this date of this Insight, no such centre has been established.

37. Syria now needs not only a pro-arbitration culture, but also a robust institutional infrastructure capable of supporting it.⁵⁰ The Investment Law does not provide for a dedicated international commercial court or a specialised chamber within the existing court system. Experience in jurisdictions such as Qatar, Dubai, Abu Dhabi and Bahrain suggests that specialised dispute-resolution ecosystems, combining international commercial courts with modern arbitration and mediation services, have played a central role in positioning these jurisdictions as preferred investment destinations. Whilst Saudi Arabia did not set up a separate international court, the current revision of its arbitration law contemplates vesting a specialised chamber in the Riyadh Court of Appeal with exclusive jurisdiction covering arbitration-related matters.

(B) Enforcement of Arbitral Awards

38. Syria has concluded 45 bilateral investment treaties (BITs), of which 33 are currently in force. Eight are signed but not ratified, and four have been terminated.⁵¹ In addition, Syria is a Contracting State to the Convention on the Settlement of Investment Disputes between States and Nationals of Other States (1965) (ICSID Convention) and the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (1958) (the New York Convention), to which Syria acceded on 9 March 1959 without expressing any of the available reservations. Syria is also a party to multilateral investment treaties, including the Agreement on Promotion, Protection and Guarantee of Investments among Member States of the Organisation of Islamic Cooperation (1981) (the OIC Investment Agreement), and the Unified Agreement for the Investment of Arab Capital in the Arab States (1980) (the Arab Investment Agreement).

39. Whilst the Investment Law contains an express provision on the enforcement of arbitral awards, Syrian law establishes a multi-layered framework governing the recognition and enforcement of arbitral awards, combining the Investment Law, the Arbitration Law No. 4 of 2008, and the Code of Civil Procedure No. 1 of 2016. The enforcement stage is particularly significant, as Syrian jurisprudence does not recognise the enforceability of arbitral awards until they have been granted enforcement by the competent court,⁵² whose role is limited to verifying whether the arbitral award meets the formal requirements for enforcement.⁵³ Two distinct enforcement scenarios must be distinguished.

40. **First, awards rendered abroad pursuant to Syrian law or relevant international treaties:** arbitral awards rendered abroad pursuant to Syrian law or under a bilateral, regional, or international agreement in force in Syria are subject to Article 35 of the Investment Law. Such awards must be granted enforcement by an order of the competent Civil Court of Appeal, and are thereafter treated as national arbitral awards, unless the applicable treaty provides otherwise.⁵⁴ The Code of Civil Procedure designates the court of first instance as the competent authority to consider applications for enforcement of awards.⁵⁵ Pursuant to Article 311(3) of the Code of Civil Procedure, decisions of the Civil Court of Appeal granting or refusing enforcement in this category are final and not subject to appeal before the Court of Cassation.⁵⁶

41. **Second, other foreign arbitral awards (non-treaty-based):** pursuant to the Code of Civil Procedure, foreign arbitral awards not rendered pursuant to Syrian law or to a treaty in force may be enforced in Syria if they are final and enforceable in the place of arbitration.⁵⁷ In this scenario, the enforcement Court must verify that the arbitral tribunal was competent under the *lex arbitri*, that the parties were duly summoned and properly represented, that the award does not conflict with a prior Syrian judgment, and that it does not violate public morals or public policy in

Syria.⁵⁸ The Code of Civil Procedure designates also the court of first instance as the competent authority to grant or refuse enforcement in this category of awards.⁵⁹

42. Awards falling under this category have to go through a complex, multi-layered enforcement process, potentially involving a review by the court of first instance, the court of appeal, and the Court of Cassation. Such a protracted process is not only inconsistent with international standards favouring minimal curial intervention, but also sits uneasily with the Arbitration Law, which confers on the Court of Appeal a general and comprehensive jurisdiction over arbitration-related matters, including enforcement proceedings.⁶⁰ A review of relevant Syrian court judgments applying article 52 of the Arbitration Law⁶¹ indicates that only decisions of the Court of Appeal setting aside an arbitral award may be challenged before the Court of Cassation, whereas decisions refusing annulment of the award are final.⁶²

43. Taken together, the Investment Law, the Arbitration Law, the Code of Civil Procedure, and Syria's international treaty obligations formally place Syria within the core architecture of international investment protection and arbitral enforcement. In practice, the enforcement of arbitral awards, particularly those rendered against the State, has historically been inconsistent. For foreign investors, the principal risk has for a long period been, not the absence of a legal framework, but the unpredictability of its application.

44. However, there are signs that this is changing. In a recent interview with Georges Affaki, the Syrian Minister of Economy, Dr Nidal Al-Shaar declared "*We have to instil a new spirit in Syria when it comes to arbitration and investment.*" He added in no uncertain terms: "*Arbitral awards have to be binding. We cannot make legal liability subject to political convenience. This will give us the certainty and stability that we need to establish a good dispute resolution system. We have to respect the outcome*

of arbitration. We should not let political convenience or whims interfere.”⁶³

45. In summary, the Syrian investment regime is characterised by a generous substantive framework, complex administrative procedures, a highly centralised institutional structure, a flexible and evolving constitutional and legal environment, and uncertain enforcement outcomes. While the economic opportunities are significant, the associated legal risks cannot be overlooked. Investing in Syria is not only an economic decision, it is a complex exercise in legal diligence, risk allocation, and dispute-resolution planning.

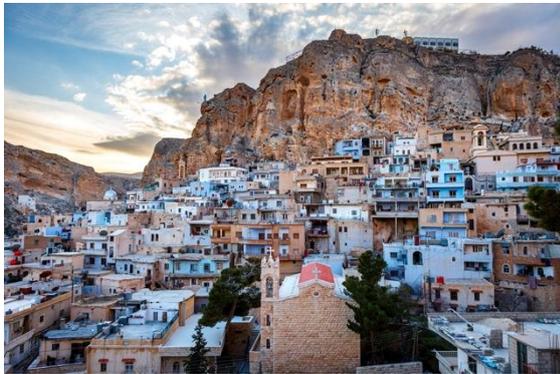


Figure 7 Maaloula: Ancient mountain village northeast of Damascus, Maaloula is renowned for its rock-cut monasteries and as one of the last places where Western Aramaic, the language of early Christianity, is still spoken.

Conclusion

46. Syria’s post-conflict Syrian investment environment reflects an economy seeking to

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¹ World Bank, *Syria: Macro-Fiscal Assessment* (Middle East and North Africa Region, June 2025).

² According to the World Bank’s Doing Business (2020) indicators, Syria ranks 176th out of 190 economies in the Ease of Doing Business. The ranking improved modestly from 179th in 2018. Syria’s average ranking between 2008 and 2019 was 159, with the best performance recorded in 2011 (134th). See World Bank – Doing Business 2020: <https://archive.doingbusiness.org/en/data/exploreeconomies/syria> (last visited 21 February 2026).

³ World Bank, *Syria: Macro-Fiscal Assessment*, *supra* note 1.

mobilise capital at a pace to which its legal and institutional framework may not yet be fully adapted. The Investment Law and its successive amendments provide a wide range of formal guarantees. However, these protections are embedded in a regulatory model where investor protection remains contingent upon obtaining an administrative license, and in a constitutional and legal environment increasingly influenced by Sharia-based public policy.

47. The question, therefore, is not whether Syria permits foreign investment; it clearly does. Rather, it is whether Syria can guarantee predictable and enforceable legal outcomes, regardless of which party prevails. As long as the rule of law is yet in the process of being firmly established, transparency in State contracts and regulation are yet to be systematically ensured, institutional authority is still in the process of stabilisation, and the promise to ensure enforcement of legitimate arbitral awards is yet to be translated into reality, Syria will remain a jurisdiction characterised by both exceptional economic opportunities with generous investment legislation and high legal risk.

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⁴ Syrian Minister of Economy and Industry Dr. M. Nidal Al-Shaar stated that Syria holds investment opportunities exceeding US\$ 1 trillion, rejecting conventional reconstruction models based on debt in favour of investment-driven redevelopment, 28 May 2025, Dubai (Arab Media Summit), reaffirmed in an interview on 18 August 2025 with *Al-Araby Al-Jadeed*.

⁵ International Monetary Fund (IMF), *IMF Staff Concludes Staff Visit to Syria*, Press Release No. 26/062, 25 February 2026: <https://www.imf.org/en/news/articles/2026/02/25/pr26062-syria-imf-staff-concludes-staff-visit-to-syria> (last visited 26 February 2026).

⁶ United Nations Economic and Social Commission for Western Asia (ESCWA), *Syria at the Crossroads: Towards a Stabilized Transition*, January 2025, Publication No. E/ESCWA/CL6.GCP/2025/TP.2.

⁷ Under Article 52 of the Constitutional Declaration of 13 March 2025, the interim period shall be five calendar years and shall end after the adoption of a permanent constitution and the holding of elections in accordance therewith.

⁸ Affaki G, *La Loi n° 10 sur la promotion des investissements : une nouvelle donne pour le marché syrien*, RDAI/IBLJ, no. 4, 1992; *Investment Promotion Law No 10: A New Deal for the Syrian Market*, 20 Int'l Bus. Law. 518 (November 1992).

⁹ See Unified Agreement for the Investment of Arab Capital in the Arab States (1980), adopted under the auspices of the Arab League, establishing the Arab Investment Court.

¹⁰ “Procedural Guide” (دليل الإجراءات) is a document issued by the Syrian Investment Authority setting out the applicable regulatory requirements, conditions, technical standards, financial obligations, and licensing procedures governing the establishment and licensing of investment projects within a binding time frame. Presidential Decree No. 114 of 2025 (24 June 2025), amending Investment Law No. 18 of 2021, Article 1.

¹¹ *Ibid*, Article 2.

¹² Law No. 18 of 2021 on Investment, as amended, Article 4.

¹³ *International Investment Agreements: Key Issues* (UNCTAD, 2000) and the Organisation for Economic Co-operation and Development (OECD), *Policy Framework for Investment* (2015).

¹⁴ Presidential Decree No. 114 of 2025, amending Investment Law No. 18 of 2021, Article 2.

¹⁵ The Investment Law provides a full exemption from customs and financial duties on imported production equipment, machinery for real estate development projects, and new medical devices for licensed investment and healthcare projects. Presidential Decree No. 114 of 2025, amending Investment Law No. 18 of 2021, Article 11.

¹⁶ The Investment Law grants permanent income tax exemptions for agricultural and livestock production projects, an 80% tax reduction for projects in designated development zones, and similar reductions for priority industrial, medical, agro-processing, recycling, agricultural packaging, and handicraft projects. Presidential Decree No. 114 of 2025, amending Investment Law No. 18 of 2021, Articles 12.

¹⁷ Presidential Decree No. 114 of 2025, amending Investment Law No. 18 of 2021, Article 13.

¹⁸ Organisation for Economic Co-operation and Development (OECD), *Mapping of Investment Promotion Agencies: Middle East and North Africa* (2019).

¹⁹ Presidential Decree No. 114 of 2025, amending Investment Law No. 18 of 2021, Article 8.

²⁰ *Ibid*, Article 9.

²¹ *Ibid*, Article 10 (1).

²² *Ibid*, Article 10 (2).

²³ *Ibid*, Article 11 (4).

²⁴ *Ibid*, Article 14.

²⁵ It should be noted that subsequent Syrian constitutions consistently employed the term “Islamic jurisprudence,” whereas the Syrian Civil Code adopts the more precise formulation “Islamic Sharia.”

²⁶ Under Article 3 of the Constitutional Declaration of 13 March 2025, Islamic jurisprudence (*fiqh*) is designated as

the primary source of legislation (الفقه الإسلامي هو المصدر الرئيسي للتشريع). The drafters of the Constitutional Declaration of 13 March 2025 invoked the Syrian Constitution of 1950 as a reference to change Islamic jurisprudence into “the primary source of legislation”. The authors note that some subsequent Syrian constitutions promulgated in 1969, 1971, 1973 and 2012 referred to Islamic jurisprudence as “a primary source of legislation”.

²⁷ Syrian Court of Cassation (*in plenum*), Decision No. 12/2025, 5 November 2025 (on file with the authors).

²⁸ By declaring inapplicable the provisions of the Civil Code governing legal interest, the Court of Cassation appears to have overstepped its interpretative role and exercised a function akin to legislative intervention. This approach is all the more remarkable in light of Article 51 of the Constitutional Declaration, which provides that “legislations already in force remains applicable until it is amended or repealed.” This ruling therefore raises fundamental questions concerning judicial authority, the constitutional hierarchy, and the boundaries between constitutional interpretation and legislative competence.

²⁹ See Supreme Constitutional Court of Egypt, Case No. 20 of Judicial Year 1 (Constitutional), judgment of 4 May 1985. Following the 1980 constitutional reform declaring the principles of Islamic Sharia “the principal source of legislation” (Art. 2 of the Egyptian Constitution as amended), the Supreme Constitutional Court was faced with a challenge to Article 226 of the Egyptian Civil Code (1948), which provides for legal interest on delayed monetary obligations. The Court held that the constitutional amendment imposes a binding obligation on the legislature to comply with the principles of Islamic Sharia for future legislations only, and does not operate to automatically invalidate pre-existing statutory provisions. The Court rejected the argument that courts may directly disapply or nullify existing legislation on the basis of Sharia principles, emphasizing that the reconciliation of statutory law with Sharia falls within the exclusive competence of the legislature. The Court warned that judicial substitution for legislative action would undermine legal certainty, disrupt contractual stability, and violate the separation of powers (on file with the authors).

³⁰ *Factory at Chorzów (Germany v. Poland)*, Merits (1928), PCIJ; International Law Commission, *Articles on Responsibility of States for Internationally Wrongful Acts* (2001), Article 31.

³¹ For instance, the Saudi Civil Code upholds the principle of full reparation as the linchpin of reparation of harm. Article 136 provides that compensation must fully redress the damage by restoring the injured party to the position in which it was, or could have been, had the damage not occurred.

³² The SCED is chaired by the President of the Republic, or his designated representative, and comprises the Ministers of Economy and Industry, Local Administration and Environment, Energy, Agriculture, Communications and Information Technology, Tourism, and Public Works and Housing, in addition to the Chairperson of the General Authority for Land and Sea Ports, the Director General of the SIA, one legal expert, and two economic experts.

Presidential Decree No. 114 of 2025, amending Investment Law No. 18 of 2021, Article 3.

³³ *Ibid*, Article 4.

³⁴ The Board of the SIA is chaired by the Director General of the SIA and includes the Deputy Minister of Economy and Industry as Vice-Chair and member, a representative of the Central Agency for Financial Control, a representative of the Planning and Statistics Authority, a representative of the International Cooperation Authority, and two representatives of investors. The members of the Board of Directors are appointed by decision of the President of the Republic, in coordination with the relevant entities, provided that the rank of representatives of public authorities is not lower than that of a director. *Ibid*, Article 5.

³⁵ Chevallier, J. (1997). *Les agences : effet de mode ou révolution administrative ?* In *Mélanges Georges Dupuis*. Paris: Éditions L.G.D.J.

³⁶ Conseil d'État (2012). *Les agences: une nouvelle gestion publique? Étude annuelle 2012 du Conseil d'État*. Paris: La Documentation Française.

³⁷ Constitutional Declaration of 13 March 2025, Article 26.

³⁸ Decree No. 39 of 2026 of 17 February 2026, granting a general amnesty for crimes committed prior to its issuance, constitutes the latest example of a presidential decree carrying legislative effect.

³⁹ Presidential Decree No. 112 of 2025 establishing the Syrian Sovereign Fund, issued on 24 June 2025.

⁴⁰ Presidential Decree No. 113 of 2025 establishing the Syrian Development Fund, issued on 24 June 2025.

⁴¹ Law No. 5 of 2004 on Publication in the Official Gazette, Article 2 (11).

⁴² Presidential Decree No. 114 of 2025, amending Investment Law No. 18 of 2021, Article 15.

⁴³ Under Article 2 of the Arbitration Law No. 4 of 2008, arbitration in disputes relating to administrative contracts shall remain subject to the provisions of Article 66 of the Public Contracts Law No. 51 of 9 December 2004.

⁴⁴ Law No. 4 of 2008 on Arbitration. Article 7 of the Arbitration Law recognises arbitration agreements concluded either before or after the dispute arises, whether in the form of a separate agreement or an arbitration clause. Further, Article 5 of the Arbitration Law grants parties the freedom to choose the applicable law governing the substance of the dispute, while Article 22 allows parties to determine the procedural rules of arbitration or to refer to institutional or foreign arbitration rules.

⁴⁵ *Ibid*, Article 11.

⁴⁶ Article 21 of the Arbitration Law empowers arbitral tribunals to rule on their own jurisdiction, including objections relating to the existence or validity of the arbitration agreement.

⁴⁷ *Ibid*, Article 1.

⁴⁸ *Ibid*, Articles 57-61.

⁴⁹ Presidential Decree No. 114 of 2025, amending Investment Law No. 18 of 2021, Article 16.

⁵⁰ See Nasrallah F, *Arbitration in Syria: Navigating Postwar Disputes*, 10 *AsianJLS* 219 (June 2023).

⁵¹ Tannous S and Mazlom A, '*Is Syria Open for Business? | Protecting Investments in Syria – The Importance of Investment Protection Treaties*' (Freshfields Risk & Compliance Blog, 9 September 2025) <https://riskandcompliance.freshfields.com/post/10212h4/is-syria-open-for-business-protecting-investments-in-syria-the-importance-of>

⁵² Syrian jurisprudence considers arbitration a special form of adjudication that is distinct from ordinary judicial proceedings. Arbitral awards do not acquire the authority of *res judicata* until granted enforcement (exequatur) by the ordinary courts under the Arbitration Law No. 4 of 2008. Consequently, arbitral awards themselves cannot be challenged through third-party opposition; only the judicial decision granting enforcement may be subject to such challenge. See, Court of Cassation, Decision No. 22/57, 8 February 2017; Decision No. 585/562, 19 September 2011.

⁵³ The competent court petitioned to grant enforcement to an arbitral award is limited to examining whether the award satisfies the formal requirements set out in the Arbitration Law, without reviewing the arbitrators' reasoning, the merits, or the award's conformity with the court's own legal assessment. Rural Damascus Court of Appeal (Third Civil Chamber), Case No. 24/2021, Decision No. 7/2021, 11 May 2021.

⁵⁴ Law No. 18 of 2021 on Investment, as amended, Article 35 (2); Code of Civil Procedure No. 1 of 2016, Article 311 (2).

⁵⁵ Code of Civil Procedure No. 1 of 2016, Article 309 (1).

⁵⁶ *Ibid*, Article 311 (3).

⁵⁷ Law No. 18 of 2021 on Investment as amended, Article 35 (1).

⁵⁸ Code of Civil Procedure No. 1 of 2016, Article 310. This is consistent with the provisions of the Syrian Arbitration Law, which limit the grounds for setting aside arbitral awards to a narrow set of circumstances, including incapacity, invalidity of the arbitration agreement, procedural irregularities, excess of jurisdiction, and violations of public policy. Law No. 4 of 2008 on Arbitration, Article 50.

⁵⁹ Code of Civil Procedure No. 1 of 2016, Article 309 (1).

⁶⁰ Law No. 4 of 2008 on Arbitration, Articles 3-54.

⁶¹ Article 52 (1) of the Arbitration Law provides that "The ruling of the court [of appeal] to annul the arbitral award may be challenged before the Court of Cassation within a period of 30 days following the notification of the judgement."

⁶² Court of Cassation, Decision No. 286/234, 12 April 2010; Decision No. 249/286, 11 June 2018.

⁶³ Ross A, *Syria's potential highlighted in Riyadh*, *Global Arbitration Review*, 13 February 2026.

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