

Treasury Sanctions Syrian Financial Facilitators Under the Caesar Syrian Civilian Protection Act

May 30, 2023

WASHINGTON — Today, the U.S. Department of the Treasury’s Office of Foreign Assets Control (OFAC) designated two Syrian money service businesses that have secretly helped the Syrian regime under Bashar al-Assad and its Hizballah and Islamic Revolutionary Guard Corps-Qods Force (IRGC-QF) allies maintain access to the international financial system in violation of international sanctions. OFAC is also designating three brothers who own and operate Al-Fadel Exchange. These designations are pursuant to Executive Order (E.O.) 13582 of August 17, 2011, “Blocking Property of the Government of Syria and Prohibiting Certain Transactions With Respect to Syria,” and also the Caesar Syrian Civilian Protection Act of 2019 (“Caesar Act”), and underscore the serious threat posed by actors in the financial system who actively enable violent regimes to circumvent sanctions.

“Bashar al-Assad’s regime continues to rely on witting partners and deception to violate U.S., UK, and EU sanctions, while ignoring the needs of the Syrian people,” said Under Secretary for Terrorism and Financial Intelligence Brian E. Nelson. “The United States will continue to push for reforms that will improve the conditions of people living under Assad and to hold accountable those who enable the regime’s continued repression of its people.”

This action follows [OFAC’s March 28, 2023 designations](#), some of which were pursuant to the Caesar Act, of key individuals supporting the Assad regime through the production and export of the highly addictive narcotic fenethylamine, also known as Captagon, a billion-dollar illicit enterprise.

AL-FADEL EXCHANGE

Al-Fadel Exchange, headquartered in Damascus, has facilitated millions of dollars in transfers since 2021 to accounts at the U.S.-designated Central Bank of Syria that benefit the Syrian government and President Bashar al-Assad. Additionally, the U.S.-designated Hizballah terrorist organization — a key ally of the Syrian regime and Iran’s IRGC-QF — has used Al-Fadel Exchange to transfer money from other countries in the region to Syria. The Syrian government and Hizballah collect hard currency in cities outside of Syria and use Al-Fadel Exchange to transfer those funds to the Central Bank of Syria. 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.

Al-Fadel Exchange is being designated pursuant to E.O. 13582 for having materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services in support of, the Central Bank of Syria. Al-Fadel Exchange is also being designated pursuant to the Caesar Act for being a foreign person that knowingly provides significant financial, material, or technological support to, or knowingly engages in a significant transaction with, the Government of Syria.

Al-Fadel Exchange is owned and managed by three brothers—**Fadel Ma’ruf Balwi (Fadel Balwi)**, **Mut’i Ma’ruf Balwi (Mut’i Balwi)**, and **Muhammad Ma’ruf Balwi (Muhammad Balwi)**. The Balwi brothers were the only individuals authorized by the U.S.-designated Central Bank of Syria to work on behalf of Hizballah. Further, Fadel Balwi and Muhammad Balwi moved billions of Syrian pounds within Syria in 2022 on behalf of the Syrian government.

Fadel Balwi, Mut’i Balwi, and Muhammad Balwi are being designated pursuant to E.O. 13582 for having acted or purported to act for or on behalf of, directly or indirectly, Al-Fadel Exchange. Fadel Balwi, Mut’i Balwi, and Muhammad Balwi are also being designated pursuant to the Caesar Act as foreign persons who knowingly provide significant financial, material, or technological support to, or knowingly engages in a significant transaction with, the Government of Syria.

AL-ADHAM EXCHANGE COMPANY

Al-Adham Exchange Company, headquartered in Damascus, has also facilitated millions of dollars in transfers since 2021 to accounts at the Central Bank of Syria that likely directly benefit the Syrian Government and President Bashar al-Assad. As of late 2022, Al-Adham Exchange Company regularly moved money abroad for the Central Bank of Syria.

Al-Adham Exchange Company is being designated pursuant to E.O. 13582 for having materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services in support of, the Government of Syria. Al-Adham Exchange Company is also being designated pursuant to the Caesar Act for being a foreign person that knowingly provides significant financial, material, or technological support to, or knowingly engages in a significant transaction with, the Government of Syria.

SANCTIONS IMPLICATIONS

As a result of today's action, all property and interests in property of these persons which are in or come within the United States or in the possession or control of U.S. persons must be blocked and reported to OFAC. In addition, any entities that are owned, directly or indirectly, 50 percent or more by one or more blocked persons are also blocked. OFAC regulations generally prohibit all dealings by U.S. persons or within the United States (including transactions transiting the United States) that involve any property or interests in property of designated or otherwise blocked persons.

In addition, persons that engage in certain transactions with the persons designated today may themselves be exposed to sanctions or subject to an enforcement action.

The power and integrity of OFAC sanctions derive not only from OFAC's ability to designate and add persons to the Specially Designated Nationals and Blocked Persons List (SDN List), but also from its willingness to remove persons from the SDN List consistent with U.S. law. The ultimate goal of sanctions is not to punish but rather to bring about a positive change in behavior. For information concerning the process for seeking removal from an OFAC list, including the SDN List, please refer to OFAC's [Frequently Asked Question 897](#). For detailed information on the process to submit a request for removal from an OFAC sanctions list, please refer to OFAC's [website](#).

[View identifying information on the persons designated today.](#)

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