Antiboycott Compliance

The United States has a policy of opposing restrictive trade practices or boycotts?fostered or imposed by foreign countries against other countries friendly to the?U.S. The antiboycott laws were adopted to encourage, and in specified cases, require U.S. firms to refuse to participate in foreign boycotts that the U.S. does not sanction. They have the effect of preventing U.S. firms from being used to implement foreign policies of other nations that run counter to U.S. policy.

This policy is implemented through the anti-boycott provisions of the Export?Administration Act of 1979 (EAA)—enforced by the U.S. Department of Commerce—?and through a 1977 amendment to the Tax Reform Act of 1976—enforced by the U.S.?Department of the Treasury.

Part 760 of the Export Administration Regulations (EAR) implements the EAA's anti-boycott provisions. U.S. persons are?prohibited from taking certain actions with the intent to comply with, further, or?support an unsolicited foreign boycott. Prohibitions include:

- Refusing to do business with a boycotted or blacklisted entity.
- Discriminating against, or agreeing to discriminate against, any U.S. person on?the basis of race, religion, sex, or national origin.
- Furnishing information about business relationships with a boycotted country or?a blacklisted entity.? In addition, the EAR requires a U.S. person to notify the U.S. Department of Commerce?if he or she receives a request to comply with an unsanctioned foreign boycotted country or a blacklisted entity.

In addition, the EAR requires a US person to notify the U.S. Department of Commerce if he or she receives a request to comply with an unsanctioned foreign boycott. The Export Administration Act (EAA) specifies penalties for violations of the Antiboycott Regulations as well as export control violations. These can include:

Criminal: The penalties imposed for each "knowing" violation can be a fine of up to $50,000 or five times the value of the exports involved, whichever is greater, and imprisonment of up to five years. During periods when the EAR is continued in effect by an Executive Order issued pursuant to the International Emergency Economic Powers Act, the criminal penalties for each "willful" violation can be a fine of up to $50,000 and imprisonment for up to ten years.

Administrative: For each violation of the EAR any or all of the following may be imposed:

- General denial of export privileges;

- The imposition of fines of up to $11,000 per violation; and/or

- Exclusion from practice.

For additional information, exporters should contact the Bureau of Industry and Security’s Office of Antiboycott Compliance.