Overview

Antiboycott regulations were designed, implemented, and maintained by the Department of Treasury and the Department of Commerce to prohibit U.S. companies from complying with aspects of foreign countries’ boycotts that are not supported by the United States. The rules have six primary prohibitions:

1. Refusal (or agree to refuse) to do business with another country or entity.
2. Furnish (or agree to furnish) information about your business relationship with a boycotted country or blacklisted persons.
3. Discriminate against a US person on the basis of race, religion, sex or national origin.
4. Furnish (or agree to furnish) information about race, religion, sex or national origin of a US person.
5. Furnish (or agree to furnish) information concerning association with fraternal and charitable organizations.
6. Implement letter of credit containing prohibited condition.

The Antiboycott rules also contain specific reporting and record keeping requirements if it is known or there is reason to know that the purpose of the request is to enforce, implement, or otherwise further, support, or secure compliance with an unsanctioned foreign boycott or restrictive trade practice.

**If you have received any request that would fall subject to any of the six prohibitions listed above, please exercise caution and contact the UNC Export Compliance Office at exportcontrol@unc.edu before moving forward.**

Regulatory Authority

The Export Administration Regulations (“EAR”; 15 C.F.R. § 760) prohibit U.S. persons from taking, or agreeing to take, actions taken with the intent to comply with, further, or support an unsanctioned foreign boycott. Additionally, under the Internal Revenue Code ("IRC"; 26 U.S. Code § 999), agreeing to participate/cooperate in a boycott can result in adverse U.S. tax consequences for the taxpayer. The IRC reaches the conduct of non-U.S. affiliates who are members of a U.S. taxpayer’s controlled group under the IRC – even if the conduct is not associated with an activity in U.S. commerce.
Reporting Requirements

As prescribed under the EAR, § 760.5, a United States person who receives a request to take any action which has the effect of furthering or supporting a restrictive trade practice or boycott fostered or imposed by a foreign country against a country friendly to the United States or against any United States person must report such request to the Department of Commerce.

A request received by a United States person is reportable if it is known or there is reason to know that the purpose of the request is to enforce, implement, or otherwise further, support, or secure compliance with an unsanctioned foreign boycott or restrictive trade practice.

Record Keeping Requirements

Mandatory record keeping requirements are listed under the EAR, § 762.1(a)(1). The EAR requires that records related to anti-boycott matters must be maintained for at least 5 years. Records included in this requirement include, but are not limited to:

- Memoranda, notes, correspondence, contracts
- Invitations to bid, books of account, financial records
- Other restrictive trade practice or boycott documents and reports

Examples of Antiboycott Requests

Requests to participate in a foreign boycott may be either written or oral and may include a request to furnish information or enter into or implement an agreement. Written Communications can include, but are not limited to: emails, contracts and purchase orders, letters of credit, import documents, invoices, and shipping terms.

The U.S. Department of Commerce, Office of Antiboycott Enforcement (“OAE”) has published common requests made to U.S. companies by foreign companies to participate in a foreign boycott. The following are pertinent examples taken from OAE resources:

- "In the case of overseas suppliers, this order is placed subject to the suppliers being not on the Israel boycott list published by the central Arab League."
- “The Contractor shall, throughout the continuance of the Contract, abide by and comply in all respects with the rules and instructions issued from time to time by the Israel Boycott Office in Iraq.”
- “We certify that neither the beneficiaries nor the suppliers of goods and services are subject to boycott.”
- “Offeror must not be included by the provisions of Arab Boycott of Israel.”
- “Goods of Israeli origin not acceptable.”

For additional examples and scenarios that involved Antiboycott Rules, please visit the U.S. Department of Commerce, Office of Antiboycott Compliance webpage (https://www.bis.doc.gov/index.php/all-articles/7-enforcement/578-examples-of-boycott-requests).

**If you have received any request to participate in a foreign boycott, please exercise caution and contact the UNC Export Compliance Office at exportcontrol@unc.edu before moving forward.**