

Anti-boycott Regulations

Federal anti-boycott laws were adopted to encourage U.S. companies to refuse to participate in foreign boycotts not supported by the United States. They prevent U.S. companies from being used to implement the foreign policies of other nations that conflict with U.S. policy. The provisions were first implemented in response to the Arab League Boycott of Israel, but anti-boycott restrictions can apply to other, non-U.S.–sanctioned boycotts around the world. The anti-boycott provisions are detailed in 15 C.F.R. § 760 and enforced by the Office of Anti-boycott Compliance (OAC) of the Bureau of Industry and Security (BIS).

How do these laws apply to Penn?

- The laws apply to any person or entity in the United States, and any U.S. person or entity abroad. Penn is considered a “U.S. person” because it is located in and organized under U.S. law; therefore, these laws apply to any activity at Penn.

What do these laws prohibit?

- Agreements to refuse or actual refusals to do business with boycotted countries or blacklisted companies
- Agreements to discriminate or actual against another person based on race, religion, sex, national origin, or nationality
- Providing information about business relationships with boycotted countries or blacklisted companies
- Providing information about the race, religion, sex, or national origin of another person
- Providing information about associations with charitable and fraternal organizations
- Paying or otherwise implementing letters of credit containing prohibited boycott terms or conditions

What happens if I come across boycott language in a Penn-related activity?

- Penn is required to report boycott-related requests to BIS.
- Note that receiving a boycott request does not mean the end of the proposed contract. Rather, an attempt should be made to negotiate changes and amendments to the boycott language. However, the reporting requirements apply even if we refuse to participate or the boycott language is removed.
- If you encounter boycott language in a Penn activity, please contact expctrl@lists.upenn.edu for assistance in determining whether an exception is applicable and if reporting to BIS is required.

Additional resources

More information can be found at: <http://www.bis.doc.gov/index.php/enforcement/oac>

OAC anti-boycott advice line: (202) 482-2381.

Examples of prohibited boycott language:

- “The supplier must comply with the Israel boycott conditions.”
- “What companies are shareholders in your capital? Please state the name and nationality of each company and the percentage of share to their total capital.”
- “Have you ever granted the right of using your name, trademarks royalty, patent, copyright or that of any of your subsidiaries to Israeli persons or firms?”
- “In 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.”
- “Invoices must be endorsed with a certificate of origin that goods are not of Israeli origin and do not contain any Israeli material and are not shipped from any Israeli port.”
- “Under no circumstances may a bank listed in the Arab Israeli Boycott Black List be permitted to negotiate this Documentary Credit.”

Examples of recent boycott-related requests reported to BIS can be found at:

<http://www.bis.doc.gov/index.php/enforcement/oac/7-enforcement/578-examples-of-boycott-requests>