

Steptoe & Johnson LLP

China Central Place, 29th Floor,
Tower 2
79 Jianguo Road, Chaoyang
District
Beijing, 100025
Tel: +86 10 5834 1000
Fax: +86 10 5969 6099

Avenue Louise 489
3rd Floor
B-1050 Brussels
Belgium
Tel: +32 2 626 0500
Fax: +32 2 626 0510

115 South LaSalle Street
Suite 3100
Chicago, IL 60603
Tel: 312.577.1300
Fax: 312.577.1370

2121 Avenue of the Stars
Suite 2800
Los Angeles, CA 90067
Tel: 310.734.3200
Fax: 310.734.3300

633 West Fifth Street
Suite 700
Los Angeles, CA 90071
Tel: 213.439.9400
Fax: 213.439.9599

1114 Avenue of the Americas
New York, NY 10036
Tel: 212.506.3900
Fax: 212.506.3950

201 E. Washington Street
Suite 1600
Phoenix, AZ 85004
Tel: 602.257.5200
Fax: 602.257.5299

1330 Connecticut Avenue, NW
Washington, DC 20036
Tel: 202.429.3000
Fax: 202.429.3902

Steptoe & Johnson

99 Gresham Street
London, EC2V 7NG
England
Tel: +44 20 7367 8000
Fax: +44 20 7367 8001

Anti-Boycott

The US Department of Commerce and the Treasury Department's Internal Revenue Service (IRS) administer regulatory regimes that prohibit or penalize cooperation with foreign economic boycott of countries friendly to the United States.

The US regulatory regimes impose complex and often counter-intuitive restrictions on US companies, individuals, and foreign affiliates doing business in the Middle East and elsewhere. In addition, US companies can face penalties and adverse publicity for failing to comply with mandatory reporting requirements that impose strict deadlines.

Audit activity by US government enforcement officials increases a company's risk of inadvertent transgressions and enforcement action. Finally, the Commerce Department and Treasury regimes are often inconsistent in the regulatory restrictions they impose, thereby increasing a company's risk of legal exposure.

Counseling

Steptoe regularly advises clients on both the Commerce Department and Treasury Department requirements and provides comprehensive assistance on regulatory prohibitions, tax penalty implications, regulatory exceptions, formal and informal interpretations of regulatory requirements, and reporting obligations.

We are often asked to advise on ambiguous contractual, purchase order, investment, letter of credit, and import requirements, to ensure compliance with US antiboycott requirements consistent with successful completion of the commercial transaction. Steptoe attorneys work with in-house counsel to handle complex transactions that may appear irresolvable in the face of regulatory requirements.

Reporting, Enforcement, and Regulatory Activity

Steptoe has handled all aspects of Commerce Department and Treasury Department reporting obligations. We are intimately familiar with the key regulatory definitions, jurisdictional prerequisites, and tax computation methodologies that bear on reporting and legal obligations.

Steptoe assists clients with internal compliance reviews, Commerce Department audits, and government enforcement proceedings. We regularly monitor legislative initiatives, regulatory developments (including agency interpretations), and administrative and judicial decisions to ensure our clients remain current on the state of the law and government enforcement priorities.

Anti-Boycott

We have participated in Commerce and Treasury Department notice and comment proceedings on behalf of clients. Where appropriate, we have challenged agency interpretations and proposed rules that are inconsistent with the statutory language or legislative history of the Anti-boycott Amendments to the Export Administration Act.

Areas of Experience

Steptoe has experience assisting clients with these types of matters:

- Commerce Department anti-boycott regulations and interpretations, including jurisdictional requirements, knowledge and intent standards, letter of credit transactions, substantive prohibitions and exceptions, and reporting obligations;
- Treasury Department Guidelines and interpretations, including jurisdictional issues, scope of penalizable agreements, separate and identifiable operations, calculations of the international boycott factor, and tax return filing requirements;
- Record-keeping, internal and external audit, and enforcement proceedings, including prior disclosure, mitigation of liability, and negotiation of settlements;
- Legislative and regulatory monitoring and comment on proposed rules, interpretations, and statutory amendments; and
- Establishment of internal compliance systems, corporate education programs, and reporting channels consistent with regulatory deadlines.

Representative Engagements

We assist corporate clients in a wide range of industries, including:

- Banking and financial services
- Oil field services
- Hydrocarbon exploration and production
- Construction and engineering
- Chemicals
- Software and computer electronics
- Food and beverage

Anti-Boycott

- Franchising
- Equipment manufacturing
- Transportation

Our clients range in size from large multinational corporations to mid-sized businesses.