Since enactment of the anti-boycott rules in the 1970s, Steptoe has provided a range of counseling, compliance, investigation, and remedial services, covering both the US Department of Commerce (DOC) anti-boycott provisions in the Export Administration Regulations (EAR) promulgated under the Export Administration Act, and the Treasury Department Anti-Boycott Guidelines issued under Section 999 of the Internal Revenue Code (the Code). We offer legal advice/opinion services related to interpretation of regulatory requirements under both the EAR and the Code. We also have experience advocating interpretive and policy positions with US government officials responsible for the interpretation and enforcement of the anti-boycott rules.

Clients hire Steptoe for our:

- Longstanding experience with the regulatory regimes and a commitment to provide expeditious anti-boycott legal services at the request of the client.
- Ability to quickly develop an approach to compliance that allows business to proceed while mitigating the risk of US government enforcement.
- Ability to evaluate detailed terms and conditions of complex commercial arrangements, and provide timely and workable solutions.
- Strong collaborative approach with internal company personnel, third parties that may be involved, and regulators (where appropriate).
- Comprehensive analysis of anti-boycott risks by leveraging Steptoe internal tools that (a) capture informal anti-boycott interpretations by the regulators, and (b) pierce through the dense regulatory regimes so as to enhance efficiency and response time.
- Ability to identify anti-boycott issues involving countries that are not Arab League members or traditionally viewed as enforcing participation in, or cooperation with, an unsanctioned foreign boycott.

Noteworthy

- *Chambers Asia-Pacific*, International Trade/WTO, China (2011-2021)
Industries Served
Our clients range in size from large multinational corporations to mid-sized businesses in a variety of sectors, including:

- Aerospace and defense
- Agricultural commodities
- Chemicals
- Construction and engineering
- Electronics
- Emerging and high technology
- Financial institutions
- Insurers
- Oil and gas exploration, production, and transmission
- Oil and gas field services
- Petrochemicals and plastics
- Power generation
- Telecommunications
- Trading
- Retail apparel and franchises

Reviews and Investigations Dealing with US Authorities
Steptoe assists clients with internal compliance investigations and reviews, DOC audits, and government enforcement proceedings, including initial notifications of voluntary disclosures, final disclosure reports, and negotiation of settlements. We also defend civil enforcement actions before the relevant US government agencies. When tax anti-boycott issues arise, we regularly advise on tax reporting and preparing for potential tax audits by the Internal Revenue Service (IRS).

Advice on Transactions/Situations
Steptoe lawyers advise on the legality of specific transactions and risk-mitigation measures related to requests received directly from boycotting countries or passed through non-boycotting countries. We regularly work with in-house counsel to handle complex transactions that may appear irresolvable in the face of regulatory requirements. We also regularly work with local counsel in numerous countries where interpretation of non-US law is relevant to resolving a matter. We have advised on potential anti-boycott concerns that may be encountered in responses to Requests for Proposals; terms and conditions of agreements, contracts, purchase orders, bills of lading; dealings with customers and suppliers obtaining insurance and ship charter or carrying services; establishing operations or offices outside the United States; and visa applications or entry requirements involving boycotting countries. We regularly provide expeditious advice to clients who face immediate situations involving apparent anti-boycott compliance risks and have been involved in a wide array of situations.

Compliance Training
Steptoe regularly provides compliance advice and assistance to clients concerning regulatory prohibitions, tax penalty implications, regulatory exceptions, and reporting obligations. Our lawyers develop and implement compliance programs, including risk assessments, compliance guidelines, awareness training, and tools for front-line employees and corporate compliance staff. Steptoe helps clients establish US anti-boycott internal compliance policies and systems, corporate education programs, reporting channels consistent with regulatory deadlines, and recordkeeping mechanisms in connection with investigations, voluntary disclosures, and other remedial measures or advice referenced above.
Representative Matters

Reviews and Investigations Dealing with US Authorities

Conducted an extensive internal review covering multiple years and over 1000 transactions for a large US chemical company that was at risk of recidivist liability. Steptoe worked intensely and collaboratively with a team of in-house attorneys to conduct a transaction-by-transaction review, developed defensible positions to eliminate the majority of transactions from US regulatory jurisdiction, met and advocated with US government authorities, and achieved a no action result for the client.

Conducted an investigation under the EAR and assisted with a voluntary disclosure to the DOC of an oral request received by a customer in a boycotting country, which the US headquartered business incorporated into commercial documentation for shipment of items manufactured in a third country in Asia. The US government did not pursue an enforcement action.

Assisted a client with an Office of Anti-Boycott Compliance-initiated anti-boycott audit, including pre-audit review and risk assessment concerning multiple transactions, which led to a preemptive voluntary disclosure (where the agency accepted it as such). We then assisted the client with the audit, responded to follow-up requests for documentation, and ultimately received a warning letter to close out the audit and disclosure without a penalty.

Advised a large US multinational on tax return reporting issues and disclosures to the IRS pursuant to the Compliance Assurance Process (CAP).

Advice on Transactions/Situations

Provided anti-boycott advice regarding certain provisions of a proposed arrangement for freight forwarding services involving trade in Central Asia. We also conducted a detailed legal analysis of the commercial arrangement and provided a written opinion on the likelihood of penalties of the modified language in the agreement under the Code.

Analyzed potential anti-boycott implications of clauses for an insurance company related to a Note Purchase Agreement for the extension of debt to a European company that had significant operations in boycotting countries.

Assisted an aerospace company whose products were rejected during entry into a boycotting country because they were manufactured in a boycotted country.

Counseled an oil and gas company on income tax and tax reporting implications related to joint venture agreements.

Compliance Training

Prepared for an aerospace and defense company a matrix of commercial clauses encountered in various documents used in multiple Arab boycotting countries, and provided a concise assessment of whether these clauses (a) triggered reporting requirements either under section 999 of the Code or section 760.5 of the EAR, and (b) whether these clauses constituted a penalizable agreement or prohibited action under the US anti-boycott laws. The matrix became part of the internal compliance resources of this company.

Conducted basic and train-the-trainer training sessions and prepared related materials or aids for clients in the mining, lubricants and additives, oil field service and component providers, chemical, commodities trading, agriculture, and aerospace sectors. These efforts have included travel to US and foreign business sites to conduct in-person trainings, as well as teaching sessions presented via video conferences, webinars, and teleconferences with participants in the US and abroad at various skill levels and for different segments of personnel (e.g., legal, finance, contracts, supply chain, business development/capture team).

In addition to anti-boycott compliance education, Steptoe has also provided international regulation and compliance training. These efforts have included materials and guidance regarding anti-corruption, economic sanctions and export controls, and anti-money laundering/counterterrorism financing laws and rules that may apply and could be presented in conjunction with or integrated as part of anti-boycott training.
News & Publications

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November 4, 2020

MEDIA MENTIONS
Asian Legal Business Features Wendy Wysong in Hong Kong Q&A
October 15, 2020

PRESS RELEASES
Steptoe Announces Expansion of International Regulation, IP Practices in Asia with Battaglia, Bickham Moves
May 8, 2020

PRESS RELEASES
Steptoe Receives China Business Law Award for Seventh Consecutive Year
April 6, 2020

PRESS RELEASES
Steptoe to Launch Hong Kong Office with Wendy Wysong Arrival
December 4, 2019

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March 12, 2019

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February 14, 2019

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August 9, 2018

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WorldECR Names Steptoe 'Sanctions Law Firm of the Year, USA'
August 1, 2018

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December 5, 2016
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