

How to Spot Boycott Language

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U.S. exporters, do you know what type of boycott language to look out for in your letters of credit, invitations to bid, or purchase orders involving foreign buyers?

U.S. law discourages, and in some cases directly prohibits, U.S. businesses/companies from participating in any type of a business boycott. In order to comply with the law, U.S. exporters need to be aware of the ways in which a foreign company might indicate boycott practices. The language of the documents needs to be examined closely for indications of a boycott, which may be very subtle.

Examples of boycott language might look like this:

- “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.”
- “Goods of Israeli origin not acceptable.”
- “A signed statement from the shipping company, or its agent, stating the name, flag and nationality of the carrying vessel and confirming ... that it is permitted to enter Arab ports.”
- “Certificate issued by the shipping company or its agent testifying that the carrying vessel is allowed to enter the Lebanese port...”
- “All goods to be supplied as a part of this order must comply with the Israel boycott rules stipulated by the Royal Oman Police.”
- “Certificate from insurance company stating that they are not blacklisted.”

- “Quotation should not include items manufactured by firms who are under Israeli Boycott list.”

On the Lookout

U.S. exporters, if this type of language is discovered in business contracts or other documents for a proposed transaction, do not continue to do business with the foreign buyer. As a U.S. exporter, the transaction with the foreign buyer should not be taken any further. Remember exporting is a privilege that can be taken away by the U.S. government!

Antiboycott Screening

In Part 760 of the Export Administration Regulations (EAR), there is a requirement that you review your letters of credit, invitations to bid, purchase orders, contracts, etc. for foreign boycott requests. EAR encourages American companies not to support the foreign policies of nations that are counter to that of the United States. American companies must comply with the laws of the U.S to continue to export and complete transactions.

While reviewing for foreign boycott requests, it is important to check for antiboycott language. For more information about antiboycott compliance, visit www.bis.doc.gov.

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