



UNITED STATES DEPARTMENT OF COMMERCE
Assistant Secretary for Export Enforcement
Washington, D.C. 20230

July 26, 2023

MEMORANDUM FOR ALL EXPORT ENFORCEMENT EMPLOYEES

FROM: MATTHEW S. AXELROD *M.S. Axelrod*
ASSISTANT SECRETARY FOR EXPORT ENFORCEMENT

SUBJECT: STRENGTHENING ANTIBOYCOTT REPORTING AND COMPLIANCE

Our country's antiboycott regulations were enacted both to address participation by U.S. persons in unsanctioned foreign boycotts and to prevent U.S. industry from implementing the foreign policy prerogatives of other nations. As I noted in our October 6, 2022 policy memorandum on [*Enhanced Enforcement of the Antiboycott Rules*](#), the antiboycott regulations also implement anti-discrimination principles by unequivocally forbidding U.S. companies from participating in unsanctioned foreign boycotts – including the Arab League boycott of Israel – that would require them to implement discriminatory business or employment practices.

In that October policy memorandum, we strengthened our Office of Antiboycott Compliance's (OAC) antiboycott enforcement program by making changes designed to enhance compliance, increase transparency, incentivize deterrence, and compel accountability. We instituted a requirement that companies entering into settlement agreements for antiboycott violations admit to a statement of the facts outlining their conduct. We enhanced penalties. And we announced a renewed focus on foreign subsidiaries of U.S. companies and committed to be more assertive in exploring ways to deter foreign parties from issuing or making boycott requests.

Deterring foreign parties from making boycott requests or imposing boycott conditions on U.S. persons is a critical pillar of antiboycott enforcement. If we cut off boycott requests at their origin, we proactively prevent participation by U.S. persons in unsanctioned foreign boycotts. While OAC can often identify parties who make antiboycott requests through its investigations, including those that stem from voluntary self-disclosures, U.S. persons receiving such requests are in a prime position to inform us directly about who made the boycott-related request. Knowing who made the boycott-related request can help us direct both our outreach and enforcement resources to parties who are engaging in boycott practices.

And it's not just private companies that may have commercial dealings with parties making boycott-related requests. The U.S. Government is one of the world's largest procurement organizations. By making clear that prospective contractors must abide by the antiboycott

regulations as part of their contractual responsibilities, we can help them focus on their need to ensure compliance.

Accordingly, starting today, we are implementing two measures to further expand and enhance our antiboycott enforcement efforts:

- **First, we are amending our Boycott Reporting Form.** Prior to today, U.S. persons were required to report to us that they received a boycott-related request and the country from which the request originated, but not the identity of the specific party who made the request. Going forward, those required to complete our [reporting form](#) must also identify the specific party from whom the boycott-related request was received. Identification of the specific party that made the boycott request will enable OAC to more easily investigate and hold accountable – whether under the antiboycott regulations, through diplomatic engagement, or both – those who make boycott-related requests of U.S. persons.
- **Second, we are including an Antiboycott Policy Statement on U.S. Acquisition Management websites.** BIS, together with the Department of Commerce’s Office of Acquisition Management (OAM), has developed a policy statement now appearing on both the [OAM](#) and [SAM.gov](#)¹ websites that clearly articulates the requirements of the antiboycott regulations and their applicability to U.S. Government acquisition contracts. The policy statement encourages contractors to: (1) review the antiboycott regulations; (2) be aware of prohibitions affecting their company or any contract they may have with the Federal Government; (3) ensure they do not comply with, or otherwise participate in, any unsanctioned foreign boycott; (4) report the receipt of any boycott-related requests; and (5) make sure they do not request or require others to take any action in furtherance of an unsanctioned foreign boycott (including discriminating on the basis of religion or national origin). By reminding U.S. contractors of their obligations under the antiboycott rules, we can help increase their vigilance in complying with them.

These enhancements are intended to further strengthen our antiboycott enforcement efforts and to diminish participation by U.S. companies in boycott-related activity. BIS will now have greater visibility into which companies are making boycott-related requests, thus assisting our work to hold such parties accountable where possible. Additionally, we have made clear our expectations of federal contractors when it comes to their legal obligations to not comply with, or otherwise participate in or support, any unsanctioned foreign boycott, including the Arab League boycott of Israel.

¹ SAM.gov is the System for Award Management website that enables companies to conduct business with the U.S. Government.