

## ARTICLE

# Treasury Publishes Current List of Boycotting Countries

September 5, 2013

The U.S. Department of the Treasury (Treasury) and the U.S. Department of Commerce (Commerce) maintain separate antiboycott rules and regulations based on two laws adopted in the 1970s—the Ribicoff Amendment to the 1976 Tax Reform Act and the 1977 amendments to the Export Administration Act—in response to the Arab League's boycott of Israel. Unlike Commerce's antiboycott regulations, Treasury's requirements do not prohibit conduct, but rather impose reporting requirements on U.S. taxpayers and their related companies and deny certain tax benefits as a penalty for participating in or cooperating with an international boycott that is not sanctioned by the United States.<sup>1</sup>

Treasury periodically publishes an official boycott list to alert the public to those countries that require or may require participation in, or cooperation with, an international boycott.<sup>2</sup> On September 3, 2013, Treasury published its current list of boycotting countries, which include the following:<sup>3</sup>

- Iraq
- Kuwait
- Lebanon
- Libya
- Qatar
- Saudi Arabia
- Syria
- United Arab Emirates
- Yemen

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## Practice Areas

Export Controls and Economic Sanctions  
International Trade

U.S. antiboycott laws and regulations are complex and frequently become traps for the unwary. Therefore, it is important to screen transactions for antiboycott issues and carefully review and analyze such issues to determine whether Treasury's and/or Commerce's regulations and requirements apply.

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<sup>1</sup> 26 U.S.C. § 999. Reports of operations in or related to boycotting countries, boycott requests, and boycott agreements must be filed on IRS Form 5713 and attached to the taxpayer's federal income tax return.

<sup>2</sup> Commerce does not publish an official boycotting country list. Additional information about Commerce's antiboycott regulations can be found at <http://www.bis.doc.gov/index.php/enforcement/oac> .

<sup>3</sup> *List of Countries Requiring Cooperation With an International Boycott*, 78 Fed. Reg. 54,370 (Dep't of the Treasury Sept. 3, 2013). Note that the most recent major change to this list occurred in August of last year when Treasury officially added Iraq to the list of boycotting countries.