

Do the U.S. Antiboycott Rules Apply to the Blockade of Qatar?

July 12, 2017

If you've read the news lately, you've undoubtedly heard of the blockade of Qatar imposed by Saudi Arabia, the UAE and other countries in the region. Many of you are likely trying to deal with the implications of the blockade, altering routes of goods shipped via sea and air in the region (maybe [you are airlifting cows into Doha](#)). One question that keeps coming up – from clients and by trade pundits – is whether U.S. companies can comply with the blockade or whether such compliance would constitute a violation of the U.S. anti-boycott rules.

For the uninitiated, the U.S. anti-boycott rules prohibit U.S. companies from cooperating with “unsanctioned foreign boycotts.” The rules also require U.S. companies to submit reports to the U.S. government if they receive requests related to such boycotts. The rules were developed in the 1970s to prevent U.S. companies from complying with the Arab League boycott of Israel, but the resulting regulations are worded broadly and could theoretically apply to other foreign boycotts. This has led some commentators to conclude that compliance with the blockade of Qatar would be illegal, or that it would at least require the submission of a report to the U.S. government. For now, that's not the case. The only ‘unsanctioned foreign boycott’ subject to the anti-boycott rules remains the Arab League boycott of Israel. Some companies take a conservative approach and report other types of boycott-related requests to the U.S. government (such as those related to India and Pakistan or China and Taiwan). That approach is fine, but such reports are not required under the rules.

The takeaway: Failure to report Qatar-related blockade requests and compliance with the blockade will not, at least not yet, result in liability under the U.S. anti-boycott regulations. You should, of course, verify this conclusion with counsel – the facts of each case are unique and the rules (and the U.S. government's interpretation of the rules) can change.

You can learn more about the U.S. anti-boycott rules on the Commerce Department's Office of Antiboycott Compliance website, available [here](#). Word to the wise: the anti-boycott regulations themselves are notoriously complex. Unless you deal with these rules on a regular basis, they can be very challenging to apply. As a result, we suggest that relevant employees be able to spot potentially problematic boycott requests, but rely on experienced counsel or compliance personnel for more detailed review.