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48 CFR Chapter 1

Federal Acquisition Regulations; Final Rules

DEPARTMENT OF DEFENSE**GENERAL SERVICES
ADMINISTRATION****NATIONAL AERONAUTICS AND
SPACE ADMINISTRATION****48 CFR Chapter 1****[Docket FAR 2012–0080, Sequence 4]****Federal Acquisition Regulation;
Federal Acquisition Circular 2005–59;
Introduction****AGENCY:** Department of Defense (DoD),
General Services Administration (GSA),and National Aeronautics and Space
Administration (NASA).**ACTION:** Summary presentation of final
and interim rules.**SUMMARY:** This document summarizes
the Federal Acquisition Regulation
(FAR) rules agreed to by the Civilian
Agency Acquisition Council and the
Defense Acquisition Regulations
Council (Councils) in this Federal
Acquisition Circular (FAC) 2005–59. A
companion document, the *Small Entity
Compliance Guide* (SECG), follows this
FAC. The FAC, including the SECG, is
available via the Internet at [http://
www.regulations.gov](http://www.regulations.gov).**DATES:** For effective dates and comment
dates see separate documents, which
follow.**FOR FURTHER INFORMATION CONTACT:** The
analyst whose name appears in the table
below in relation to each FAR case.
Please cite FAC 2005–59 and the
specific FAR case numbers. For
information pertaining to status or
publication schedules, contact the
Regulatory Secretariat at 202–501–4755.**LIST OF RULES IN FAC 2005–59**

Item	Subject	FAR Case	Analyst
I	Prohibition on Contracting With Inverted Domestic Corporations	2012–013	Jackson.
II	Free Trade Agreement—Colombia	2012–012	Davis.
III	Revision of Cost Accounting Standards Threshold	2012–003	Chambers.

SUPPLEMENTARY INFORMATION:

Summaries for each FAR rule follow.
For the actual revisions and/or
amendments made by these FAR cases,
refer to the specific item numbers and
subject set forth in the documents
following these item summaries. FAC
2005–59 amends the FAR as specified
below:

**Item I—Prohibition on Contracting
With Inverted Domestic Corporations
(FAR Case 2012–013) (Interim)**

This interim rule implements section
738 of Division C of the Consolidated
Appropriations Act, 2012 (Pub. L. 112–
74), which prohibits the award of
contracts using Fiscal Year 2012
appropriated funds to any foreign
incorporated entity that is treated as an
inverted domestic corporation or to any
subsidiary of such an entity. This
interim rule extends an existing
prohibition that applied to use of Fiscal
Years 2008 through 2010 funds.
Contracting officers are prohibited from
awarding contracts using appropriated
funds to any foreign incorporated entity
that is treated as an inverted domestic
corporation or to any subsidiary of such
entity, unless an exception applies. The
exceptions are at FAR 9.108–2. This rule
is not expected to have an effect on
small business because this rule will
only impact an offeror that is an
inverted domestic corporation and
wants to do business with the
Government. Small business concerns
are unlikely to have been incorporated
in the United States and then
reincorporated in a tax haven.

**Item II—Free Trade Agreement—
Colombia (FAR Case 2012–012)**

This interim rule implements a new
Free Trade Agreement with Colombia
(see the United States—Colombia Trade
Promotion Agreement Implementation
Act (Pub. L. 112–42) (19 U.S.C. 3805
note)).

This Trade Promotion Agreement is a
free trade agreement that provides for
mutually non-discriminatory treatment
of eligible products and services from
Colombia. This interim rule is not
expected to have a significant economic
impact on a substantial number of small
entities.

**Item III—Revision of Cost Accounting
Standards Threshold (FAR Case 2012–
003)**

This final rule revises the cost
accounting standards (CAS) threshold in
order to implement in the FAR a recent
rule of the Cost Accounting Standards
Board and statutory requirements. The
threshold now equals the Truth in
Negotiations Act (TINA) threshold,
currently \$700,000. There is no impact
on small businesses as they are exempt
from CAS pursuant to 48 CFR 9903.201–
1(b).

Dated: May 3, 2012.

Laura Auletta,

Director, Office of Governmentwide
Acquisition Policy, Office of Acquisition
Policy, Office of Governmentwide Policy.

Federal Acquisition Circular (FAC)
2005–59 is issued under the authority of
the Secretary of Defense, the
Administrator of General Services, and

the Administrator for the National
Aeronautics and Space Administration.

Unless otherwise specified, all
Federal Acquisition Regulation (FAR)
and other directive material contained
in FAC 2005–59 is effective May 10,
2012, except for Item II which is
effective May 15, 2012.

Dated: May 3, 2012.

Richard Ginman,Director, Defense Procurement and
Acquisition Policy.

Dated: May 2, 2012.

Joseph A. Neurauter,Senior Procurement Executive/Deputy CAO,
Office of Acquisition Policy, U.S. General
Services Administration.

Dated: May 3, 2012.

William P. McNally,Assistant Administrator for Procurement,
National Aeronautics and Space
Administration.

[FR Doc. 2012–11147 Filed 5–9–12; 8:45 am]

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