

DEPARTMENT OF DEFENSE**GENERAL SERVICES
ADMINISTRATION****NATIONAL AERONAUTICS AND
SPACE ADMINISTRATION****48 CFR Chapter 1**

[Docket No. FAR–2020–0051, Sequence No. 2]

**Federal Acquisition Regulation;
Federal Acquisition Circular 2020–06;
Introduction****AGENCY:** Department of Defense (DoD),
General Services Administration (GSA),and National Aeronautics and Space
Administration (NASA).**ACTION:** Summary presentation of final
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) 2020–06. A
companion document, the *Small Entity
Compliance Guide* (SECG), follows this
FAC.**DATES:** For effective date see the
separate documents, which follow.**ADDRESSES:** The FAC, including the
SECG, is available via the internet at
<http://www.regulations.gov>.**FOR FURTHER INFORMATION CONTACT:** The
analyst whose name appears in the table
below in relation to the FAR case. For
information pertaining to status or
publication schedules, contact the
Regulatory Secretariat Division at 202–
501–4755.**RULE LISTED IN FAC 2020–06**

Item	Subject	FAR case	Analyst
I	Revocation of Executive Order on Nondisplacement of Qualified Workers	2020–001	Delgado.
II	Applicability of Inflation Adjustments of Acquisition-Related Thresholds	2018–007	Delgado.
III	Tax on Certain Foreign Procurement	2016–013	Delgado.
IV	Technical Amendments.		

SUPPLEMENTARY INFORMATION:

Summaries for each FAR rule follow.
For the actual revisions and/or
amendments made by these FAR rules,
refer to the specific item numbers and
subjects set forth in the documents
following these item summaries. FAC
2020–06 amends the FAR as follows:

**Item I—Revocation of Executive Order
on Nondisplacement of Qualified
Workers (FAR Case 2020–001)**

This final rule removes subpart 22.12,
entitled “Nondisplacement of Qualified
Workers Under Service Contracts”, and
a related contract clause, from the FAR.
The final rule applies to service
contracts which succeed a contract for
performance by service employees of
the same or similar work at the same
location. It removes a requirement for
service contractors and their
subcontractors to offer employees of the
predecessor contractor and its
subcontractors a right of first refusal of
employment for positions for which
they are qualified. It implements
Executive Order 13897 of October 31,
2019, Improving Federal Contractor
Operations by Revoking Executive
Order 13495. This final rule will not
have a significant impact on service
contractors and their subcontractors.
However, as a result of eliminating the
language in FAR subpart 22.12, there
will be fewer requirements imposed on
contractors to keep records
demonstrating compliance on successor
contractors.

**Item II—Applicability of Inflation
Adjustments of Acquisition-Related
Thresholds (FAR Case 2018–007)**

This final rule makes inflation
adjustments of statutory acquisition-
related thresholds under 41 U.S.C. 1908
applicable to existing contracts and
subcontracts in effect on the date of the
adjustment. It implements section 821
of the National Defense Authorization
Act for Fiscal Year 2018.

This final rule will not have a
significant economic impact on a
substantial number of small entities.

**Item III—Tax on Certain Foreign
Procurement (FAR Case 2016–013)**

This final rule withholds a 2 percent
tax on contract payments made by the
United States (U.S.) Government to
foreign persons pursuant to certain
contracts. This rule applies to Federal
Government contracts for goods or
services that are awarded to foreign
persons. It implements the Department
of the Treasury final regulations
published in the **Federal Register** at 81
FR 55133 on August 18, 2016, under
section 5000C of the Internal Revenue
Code relating to the 2 percent tax on
payments made by the U.S. Government
to foreign entities pursuant to certain
contracts.

This final rule will not have a
significant economic impact on a
substantial number of small entities.

Item IV—Technical Amendments

Editorial changes are made at FAR
4.1102, 19.102, 25.301–1, 25.301–4,
52.219–28, 52.223–15, and 52.225–19.

Federal Acquisition Circular (FAC) 2020–
06 is issued under the authority of the
Secretary of Defense, the Administrator of
General Services, and the Administrator of
National Aeronautics and Space
Administration.

Unless otherwise specified, all Federal
Acquisition Regulation (FAR) and other
directive material contained in FAC 2020–06
is effective May 6, 2020 except for Items I,
II, and III, which are effective June 5, 2020.

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