

**Federal Acquisition Regulation  
Federal Acquisition Circular 2005-71 Summary of Rules**

| <u>Item</u> | <u>Subject</u>  | <u>FAR Case</u> |
|-------------|---|-----------------|
| I           | Accelerated Payments to Small Business Subcontractors | 2012-031        |
| II          | New Designated Country--Croatia                       | 2013-019        |
| III         | Technical Amendment                                   |                 |

**Item I--Accelerated Payments to Small Business Subcontractors (FAR Case 2012-031)**

This final rule amends the FAR to add a new clause, Providing Accelerated Payments to Small Business Subcontractors, as part of the implementation of OMB Memorandum M-12-16, Providing Prompt Payment to Small Business Subcontractors (as extended by OMB Memorandum M-13-15, Extension of Policy to Provide Accelerated Payment to Small Business Subcontractors). This new clause requires the prime contractor, upon receipt of accelerated payments from the Government, to make accelerated payments to small business subcontractors, to the maximum extent practicable, after receipt of a proper invoice and all proper documentation from small business subcontractors. This rule does not provide any new rights under the Prompt Payment Act and does not affect the application of the Prompt Payment Act late payment interest provisions. Small businesses benefit from this clause in that they should be paid more expeditiously by their prime contractor, which should improve small businesses overall cash flow. **This clause will be inserted into all new solicitations issued after the effective date of this rule and resultant contracts, including solicitations and contracts for the acquisition of commercial items.** See note below. Effective: December 26, 2013

**Note:** In accordance with the class deviation from FAR 52.232-99, Providing Accelerated Payment to Small Business Subcontractors, issued with Policy Flash 2013-05 on October 12, 2012; the deviation clause should have already been incorporated into all new solicitations and resultant contracts and existing solicitations and contracts. The new clause from the final rule will be inserted into all new solicitations and resultant contracts, including solicitations and contracts for acquisition of commercial items effective December 26, 2013.

**Item II--New Designated Country--Croatia (FAR Case 2013-019)**

This final rule amends the FAR to add Croatia as a new designated country under the World Trade Organization Government Procurement Agreement (WTO GPA). Croatia joined the European Union on July 1, 2013, which is a party to the WTO GPA. Therefore, this rule adds Croatia to the list of WTO GPA countries wherever it appears in the FAR, whether as a separate definition, part of the definition of "designated country," the definition of "Recovery Act designated country," or as part of the list of countries exempt from the prohibition of acquisition of products produced by forced or indentured child labor. As a member of the European Union, Croatia also is a party to the Agreement on Trade in Civil Aircraft. Effective: November 25, 2013

### **Item III--Technical Amendments**

Editorial changes are made at FAR 31.205-6, 52.202-1, 52.212-3, 52.212-5, and 52.213-4.  
Effective: November 25, 2013