

Federal Acquisition Regulation  
Federal Acquisition Circular 59

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

These rules were published in the Federal Register on May 10, 2012 at 77 FR 27546

Item I--Prohibition on Contracting With Inverted Domestic Corporations

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

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

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).