

**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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