



Millennium Challenge Corporation
Contracts and Grants Management Division
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MEMORANDUM

Date: November 13, 2025

From: Jonathan C. Hamlet
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Contracts and Grants Management Division
Department of Administration and Finance
Millennium Challenge Corporation

To: MCC Contracts and Grants Management Division Staff

Subject: Class Deviation to Implement the FAR Revisions Parts 40 *Information Security and Supply Chain Security* and 52 *Solicitation Provisions and Contract Clauses* Issued on August 14, 2025

Findings

On April 15, 2025, President Trump signed the [Executive Order \(E.O.\) 14275, “Restoring Common Sense to Federal Procurement”](#) to reform the Federal Acquisition Regulation (FAR). This E.O. further advances the intent of the [E.O. 14192, “Unleashing Prosperity Through Deregulation,”](#) signed on January 31, 2025, which established that the policy of the executive branch is to be prudent and financially responsible in the expenditure of funds and to alleviate unnecessary regulatory burdens placed on the American people.

The E.O. orders the Administrator of the Office of Federal Public Procurement Policy (OFPP), in coordination with the other members of the Federal Acquisition Regulatory Council (FAR Council), the heads of agencies, and appropriate senior acquisition and procurement officials from agencies to amend the FAR to ensure that it contains only provisions that are required by statute or that are otherwise necessary to support simplicity and usability, strengthen the efficacy of the procurement system, or protect economic or national security interests. This project is referred to as the Revolutionary FAR Overhaul (RFO) initiative.

On May 2, 2025, the Office of Management and Budget (OMB) released its memo M-25-26 “Overhauling the Federal Acquisition Regulation” that directs all agencies to “Generally issue individual or class deviations to implement the FAR Council’s deregulated coverage within 30 days after the Council releases its model deviation text. Provide copies of class deviations to the FAR Secretariat at gsaregsec@gsa.gov for public posting on Acquisition.gov.”

On August 14, 2025, the FAR Council issued completed revisions for [FAR Part 40](#) and [FAR Part 52](#) clause. The RFO FAR Part 40 model deviation text has been consolidated from multiple subparts

throughout the FAR and over a dozen different provisions and clauses into a single, logically organized part of the FAR, Part 40, Information Security and Supply Chain Security.

- Simplified: FAR Part 40 is reorganized into three key subparts:
 - Subpart 40.1 - Processing Supply Chain Risk Information (previously reserved)
 - Subpart 40.2 - Security Prohibitions and Exclusions
 - Subpart 40.3 - Safeguarding Information (previously reserved)
- Consolidated:
 - Regulatory requirements previously found at FAR subparts 4.4, 4.19 through 4.23, and 25.7 have been moved into Part 40.
 - More than a dozen separate provisions (5) and clauses (9) have been merged into 4 (1 provision and 3 clauses).

Statutory requirements retained in the RFO FAR Part 40 model deviation include, but are not limited to, the following:

- 41 U.S.C. §§ 1321 et seq, Federal Acquisition Supply Chain Security Act (FASCSA)
- 41 U.S.C. § 4713, Authorities Related to Mitigating Supply Chain Risks in the Procurement of Covered Articles
- 44 U.S.C. §§ 3501 et seq, Federal Information Policy
- Pub. L. 115-91 Section 1634, Prohibition on Use of Products and Services Developed or Provided by Kaspersky Lab
- Pub. L. 115-232 Section 889, Prohibition on Certain Telecommunications and Video Surveillance Services or Equipment
- Pub. L. 115-232 Section 1758, Requirements to Identify and Control the Export of Emerging and Foundational Technologies
- Pub. L. 115-390, Strengthening and Enhancing Cyber-capabilities by Utilizing Risk Exposure Technology Act (SECURE Technology Act)
- Pub. L. 117-328 Div R Section 102, Prohibition on the Use of TikTok
- Pub. L. 118-31 Section 1823, Prohibition on Procurement of Covered Unmanned Aircraft Systems from Covered Foreign Entities.

Other key changes include:

Retained:

- New subpart 40.1 incorporates:
 - Sharing Supply Chain Risk Information (from FAR 4.2302): The requirement to share relevant supply chain risk information with the Federal Acquisition Security Council when applicable is moved to FAR 40.102.
- Subpart 40.2 incorporates:
 - Kaspersky Lab (from FAR 4.20): The prohibition on hardware, software, and services from Kaspersky Lab and its affiliates is now at FAR 40.202(b). Its definitions (Kaspersky Lab covered article, Kaspersky Lab covered entity) have been moved to the new definitions section at FAR 40.201.
 - Section 889 (from FAR 4.21): The prohibition on contracting for certain Chinese telecommunications and video surveillance equipment and services is now located at FAR 40.202(d). The definitions are centralized at FAR 40.201.

- ByteDance/TikTok (from FAR 4.22): The prohibition on the presence or use of TikTok applications or services on government and contractor information technology is now located at FAR 40.202(a). The definitions are centralized at FAR 40.201.
- Federal Acquisition Supply Chain Security Act (FASCSA) (from FAR 4.23): The prohibition on violating an applicable FASCSA order is now located at FAR 40.202(e). Key definitions are centralized at FAR 40.201. The requirements for implementing FASCSA exclusion and removal orders have been streamlined and moved to FAR 40.204-1.
- Prohibited Foreign Sources (from FAR 25.7): The prohibitions related to Office of Foreign Assets Control (OFAC) restrictions, as well as specific prohibitions against contracting with entities doing business in Sudan and Iran now reside at 40.202(f), (g), and (h).
- New subpart 40.3 incorporates:
 - Safeguarding Classified Information within Industry (from FAR 4.4): The policies and procedures for safeguarding classified information within industry, rooted in Executive Order 12829 and the National Industrial Security Program (NISP), have been moved to the new section 40.302.
 - Basic Safeguarding of Covered Contractor Information Systems (from FAR 4.19): The requirements for the basic safeguarding of covered contractor information systems that contain Federal Contract Information (FCI) are retained and moved to the new section 40.303.
- Provision and clauses consolidated to the following:
 - New provision 52.240-90, Security Prohibitions and Exclusions Representations and Certifications, replaces the following provisions:
 - 52.204-24, Representation Regarding Certain Telecommunications and Video Surveillance Services or Equipment
 - 52.204-26, Covered Telecommunications Equipment or Services—Representation
 - 52.204-29, Federal Acquisition Supply Chain Security Act Orders—Representation and Disclosures.
 - 52.225-20, Prohibition on Conducting Restricted Business Operations in Sudan—Certification.
 - 52.225-25, Prohibition on Contracting with Entities Engaging in Certain Activities or Transactions Relating to Iran—Representation and Certifications.
 - New clause 52.240-91, Security Prohibitions and Exclusions, replaces the following clauses:
 - 52.204-23, Prohibition on Contracting for Hardware, Software, and Services Developed or Provided by Kaspersky Lab Covered Entities
 - 52.204-25, Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment.
 - 52.204-27, Prohibition on a ByteDance Covered Application.
 - 52.204-28, Federal Acquisition Supply Chain Security Act Orders—Federal Supply Schedules, Governmentwide Acquisition Contracts, and Multi-Agency Contracts.
 - 52.204-30, Federal Acquisition Supply Chain Security Act Orders—Prohibition.

- 52.225-13, Restrictions on Certain Foreign Purchases.
- 52.240-1, Prohibition on Unmanned Aircraft Systems Manufactured or Assembled by American Security Drone Act— Covered Foreign Entities.
- New clause 52.240-92, Security Requirements, replaces the following clause:
 - 52.204-2 Security Requirements.
- New clause 52.240-93, Basic Safeguarding of Covered Contractor Information Systems, replaces the following clause:
 - 52.204-21 Basic Safeguarding of Covered Contractor Information Systems.

Removed:

- Part 40 has been streamlined by merging and consolidating content from parts 4 and 25, removing redundancies, and improving clarity.

Determination

To fully comply with the President’s E.O.s and the revised FAR Parts 40 and 52, MCC shall follow the [RFO Part 40 model deviation text](#) instead of FAR Part 40 as codified at 48 CFR Chapter 40 and replace the relevant [RFO Part 52 model deviation clause](#) instead of the FAR Part 52 clause as codified at 48 CFR Chapter 52. The FAR Council’s RFO Parts 40 and 52 model deviation texts are available at [Acquisition.gov](#), under the “[FAR Overhaul](#)” link.

This deviation applies to all solicitations and new contracts as of November 13, 2025. This deviation does not apply to contracts signed and executed on or before November 12, 2025.

Approval

In accordance with RFO FAR 1.304 *Class deviations*, MCC Contracts Operating Manual (COM) 1.305-3 *Contracts and Grants Management Division MD/SPE*, and the OMB memo M-25-26, the RFO Part 40 model deviation text and the RFO Part 52 model deviation clause are hereby approved effective as of November 13, 2025 for use by all MCC Contracting Officers until final implementation of the FAR update or rescission of this Memo by the SPE. Additional instructions related to this Memo may be issued by the Senior Procurement Executive, Deputy Managing Director, and the Supervisory Procurement Analyst of the MCC CGM Division on an *ad hoc* basis.

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 Department of Administration and Finance
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Attachments

OMB Memo M-25-26 *Overhauling the Federal Acquisition Regulation*