



OFFICE OF MANAGEMENT AND BUDGET

Office of Federal Procurement Policy

DEPARTMENT OF DEFENSE

GENERAL SERVICES ADMINISTRATION

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

48 CFR Parts 22, 25, and 52

[FAC 2026-01, FAR Case 2025-007; Docket No. 2025-0007;

Sequence No. 1]

RIN 9000-A080

Federal Acquisition Regulation: Trade Agreements Thresholds

AGENCY: Office of Federal Procurement Policy (OFPP), Office of Management and Budget (OMB); Department of Defense (DoD); General Services Administration (GSA); and National Aeronautics and Space Administration (NASA).

ACTION: Final rule.

SUMMARY: OFPP, DoD, GSA, and NASA (collectively referred to as the Federal Acquisition Regulatory Council, or FAR Council) are issuing a final rule amending the Federal Acquisition Regulation (FAR) to incorporate revised thresholds for application of the World Trade Organization Government Procurement Agreement and the Free Trade Agreements, as determined by the United States Trade Representative.

DATES: Effective **[INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

FOR FURTHER INFORMATION CONTACT: For clarification of content, contact *FARpolicy@gsa.gov* or call 202-969-4075. For information pertaining to status or publication schedules, contact the Regulatory Secretariat Division at 202-501-4755 or *GSARegSec@gsa.gov*. Please cite FAC 2026-01, FAR Case 2025-007.

SUPPLEMENTARY INFORMATION:

I. Background

Approximately every two years, the trade agreements thresholds for the World Trade Organization Government Procurement Agreement (WTO GPA) and the free trade agreements (FTAs) are adjusted according to predetermined formulae under the agreements. These thresholds are effective as of January 1, 2026. On January 2, 2026, and February 3, 2026, (91 FR 188 and 91 FR 5019, respectively), the United States Trade Representative (USTR) published new procurement thresholds.

The United States Trade Representative has specified the following new thresholds:

Trade Agreement	Supply Contract (equal to or exceeding)	Service Contract (equal to or exceeding)	Construction Contract (equal to or exceeding)
WTO GPA	\$174,000	\$174,000	\$6,683,000
FTAs:			
Australia FTA	105,767	105,767	6,683,000
Bahrain FTA	174,000	174,000	13,749,689

CAFTA-DR (Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, and Nicaragua)	105,767	105,767	6,683,000
Chile FTA	105,767	105,767	6,683,000
Colombia FTA	105,767	105,767	6,683,000
Korea FTA	100,000	100,000	6,683,000
Morocco FTA	174,000	174,000	6,683,000
USMCA			
-Mexico	105,767	105,767	13,749,689
Oman FTA	174,000	174,000	13,749,689
Panama FTA	174,000	174,000	6,683,000
Peru FTA	174,000	174,000	6,683,000
Singapore FTA	105,767	105,767	6,683,000
Israeli Trade Act	50,000	-	-

II. Discussion and Analysis

This final rule implements the new thresholds in FAR subpart 25.4, Trade Agreements, and other sections in the FAR that include trade agreements thresholds (i.e., FAR 22.1503, 25.202, 25.402, 25.603, 25.1101, and 25.1102).

In addition, changes are required to the provision at FAR 52.204-8, Annual Representations and Certifications, and the clause at FAR 52.222-19, Child Labor-Cooperation with Authorities and Remedies, with conforming changes to the clause dates in FAR 52.212-5, Contract Terms and Conditions Required to Implement Statutes or Executive Orders-Commercial Products and Commercial Services, and FAR

52.213-4, Terms and Conditions-Simplified Acquisitions
(Other Than Commercial Products and Commercial Services).

**III. Publication of this Final Rule for Public Comment is
not Required by Statute**

The statute that applies to the publication of the FAR is 41 U.S.C. 1707. Subsection (a)(1) of 41 U.S.C. 1707 requires that a procurement policy, regulation, procedure, or form (including an amendment or modification thereof) must be published for public comment if it relates to the expenditure of appropriated funds and has either a significant effect beyond the internal operating procedures of the agency issuing the policy, regulation, procedure, or form, or has a significant cost or administrative impact on contractors or offerors. This final rule is not required to be published for public comment, because it only adjusts the thresholds according to predetermined formulae to adjust for changes in economic conditions, thus maintaining the status quo, without significant effect beyond the internal operating procedures of the Government and without a significant cost or administrative impact on contractors or offerors.

IV. Expected Impact of the Rule

This final rule will adjust the thresholds for application of the WTO GPA and FTAs, as determined by the USTR. For acquisitions covered by the WTO GPA or FTAs, the USTR has waived the Buy American statute and other

discriminatory provisions for eligible products. As a result, eligible products and services will receive equal consideration with domestic offers if the estimated value of the contract meets or exceeds the new thresholds set by the USTR. This rule is not expected to significantly impact domestic offerors or offerors covered by the WTO GPA or a FTA because the threshold adjustments made under this rule simply accommodate changes in economic conditions, while maintaining the status quo.

V. Applicability to Contracts at or Below the Simplified Acquisition Threshold (SAT) and for Commercial Products (Including Commercially Available Off-the-Shelf (COTS) Items) or for Commercial Services.

This rule amends the FAR to make minor revisions in the thresholds for application of the WTO GPA and the FTAs. The revisions do not add any new burdens or, except for the thresholds changes themselves, impact applicability of clauses and provisions at or below the simplified acquisition threshold, to acquisitions of commercial products (including commercially available off-the-shelf items), or to acquisitions of commercial services.

VI. Executive Orders 12866 and 13563

Executive Orders (E.O.s) 12866 and 13563 direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits

(including potential economic, environmental, public health and safety effects, distributive impacts, and equity). E.O. 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. This is not a significant regulatory action and, therefore, was not subject to review under Section 6(b) of E.O. 12866, Regulatory Planning and Review, dated September 30, 1993.

VII. Executive Order 14192

This rule is not an E.O. 14192 regulatory action because this rule is not significant under E.O. 12866. Thus, this rule is considered neither regulatory nor deregulatory for purposes of E.O. 14192.

VIII. Congressional Review Act

Pursuant to the Congressional Review Act, the FAR Council will send this rule to each House of the Congress and to the Comptroller General of the United States. The Office of Information and Regulatory Affairs (OIRA) in the Office of Management and Budget has determined that this rule does not meet the definition in 5 U.S.C. 804(2).

IX. Regulatory Flexibility Act

Because a notice of proposed rulemaking and an opportunity for public comment are not required to be given for this rule under 41 U.S.C. 1707(a)(1) (see section III of this preamble), the analytical requirements of the Regulatory Flexibility Act (5 U.S.C. 601-612) are not

applicable. Accordingly, no regulatory flexibility analysis is required, and none has been prepared.

X. Paperwork Reduction Act

This rule affects the information collection requirements in the provisions at FAR 52.225-2, 52.225-4, 52.225-6, and 52.225-10, and the clauses at FAR 52.225-9, 52.225-11, 52.225-21, and 52.225-23, currently approved under OMB Control Number 9000-0024, entitled "Buy American Act, Trade Agreements, and Duty-Free Entry," in accordance with the Paperwork Reduction Act (44 U.S.C. 3501-3521). The impact, however, is negligible, because the threshold changes are in line with inflation and maintain the status quo. As a result, there is no change to the estimated burden.

List of Subjects in 48 CFR Parts 22, 25, and 52

Government procurement.

William F. Clark,
Director,
Office of Government-wide
Acquisition Policy,
Office of Acquisition Policy,
Office of Government-wide Policy.

Therefore, OFPP, DoD, GSA, and NASA amend 48 CFR parts 22, 25, and 52 as set forth below:

1. The authority citation for 48 CFR parts 22, 25, and 52 continues to read as follows:

AUTHORITY: 41 U.S.C. 1121(b); 40 U.S.C. 121(c); 10 U.S.C. chapter 4 and 10 U.S.C. chapter 137 legacy provisions (see 10 U.S.C. 3016); and 51 U.S.C. 20113.

PART 22—APPLICATION OF LABOR LAWS TO GOVERNMENT

ACQUISITIONS

22.1503 [Amended]

2. In section 22.1503 amend paragraph (b) (2) by removing "\$102,280" and adding "\$105,767" in its place.

PART 25—FOREIGN ACQUISITION

25.202 [Amended]

3. In section 25.202 amend paragraph (c) by removing "\$6,708,000" and adding "\$6,683,000" in its place.

4. Amend section 25.402 in paragraph (b) by revising table 1 to read as follows:

25.402 General.

* * * * *

(b) * * *

Table 1 to Paragraph (b)

Trade Agreement	Supply Contract (equal to or exceeding)	Service Contract (equal to or exceeding)	Construction Contract (equal to or exceeding)
WTO GPA	\$174,000	\$174,000	\$6,683,000

FTAs:			
Australia FTA	105,767	105,767	6,683,000
Bahrain FTA	174,000	174,000	13,749,689
CAFTA-DR (Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, and Nicaragua)	105,767	105,767	6,683,000
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USMCA:			
–Mexico	105,767	105,767	13,749,689
Oman FTA	174,000	174,000	13,749,689
Panama FTA	174,000	174,000	6,683,000
Peru FTA	174,000	174,000	6,683,000
Singapore FTA	105,767	105,767	6,683,000
Israeli Trade Act	50,000	–	–

25.603 [Amended]

5. Amend section 25.603 by removing from paragraph (c) (1) “\$6,708,000” and adding “\$6,683,000” in its place.

25.1101 [Amended]

6. Amend section 25.1101 by–

a. Removing from paragraph (b) (1) (iii) “\$102,280” and adding “\$105,767” in its place; and

b. Removing from paragraph (b) (2) (iii) “\$102,280” and adding “\$105,767” in its place.

25.1102 [Amended]

7. Amend section 25.1102 by-

a. Removing from the introductory text of paragraphs (a) and (c) "\$6,708,000" and adding "\$6,683,000" in their places; and

b. Removing from paragraphs (c) (3) and (d) (3) "\$6,708,000" and "\$13,296,489" and adding "\$6,683,000" and "\$13,749,689" in their places, respectively.

PART 52-SOLICITATION PROVISIONS AND CONTRACT CLAUSES

8. Amend section 52.204-8 by-

a. Revising the date of the provision; and

b. Removing from paragraph (c) (1) (xxi) (C) "\$102,280" and adding "\$105,767" in its place.

The revision reads as follows:

52.204-8 Annual Representations and Certifications.

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ANNUAL REPRESENTATIONS AND CERTIFICATIONS (MAR 2026)

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9. Amend section 52.212-5 by-

a. Revising the date of the clause; and

b. Removing from paragraph (b) (32) "(JAN 2025)" and adding "(MAR 2026)" in its place.

The revision reads as follows:

52.212-5 Contract Terms and Conditions Required to Implement Statutes or Executive Orders-Commercial Products and Commercial Services.

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CONTRACT TERMS AND CONDITIONS REQUIRED TO IMPLEMENT STATUTES OR EXECUTIVE
ORDERS—COMMERCIAL PRODUCTS AND COMMERCIAL SERVICES (MAR 2026)

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10. Amend section 52.213-4 by—

a. Revising the date of the clause; and

b. Removing from paragraph (b) (1) (iii) "(JAN 2025)"

and adding "(MAR 2026)" in its place.

The revision reads as follows:

**52.213-4 Terms and Conditions—Simplified Acquisitions
(Other Than Commercial Products and Commercial Services).**

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TERMS AND CONDITIONS—SIMPLIFIED ACQUISITIONS (OTHER THAN COMMERCIAL
PRODUCTS AND COMMERCIAL SERVICES) (MAR 2026)

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11. Amend section 52.222-19 by—

a. Revising the date of the clause; and

b. Removing from paragraph (a) (2) "\$102,280" and

adding "\$105,767" in its place.

The revision reads as follows:

**52.222-19 Child Labor—Cooperation with Authorities and
Remedies.**

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CHILD LABOR—COOPERATION WITH AUTHORITIES AND REMEDIES (MAR 2026)

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