



ACQUISITION
AND SUSTAINMENT

OFFICE OF THE UNDER SECRETARY OF DEFENSE
3000 DEFENSE PENTAGON
WASHINGTON, DC 20301-3000

In reply refer to
DARS Tracking Number: 2022-O0003

MEMORANDUM FOR COMMANDER, UNITED STATES CYBER
COMMAND (ATTN: ACQUISITION EXECUTIVE)
COMMANDER, UNITED STATES SPECIAL OPERATIONS
COMMAND (ATTN: ACQUISITION EXECUTIVE)
COMMANDER, UNITED STATES TRANSPORTATION
COMMAND (ATTN: ACQUISITION EXECUTIVE)
DEPUTY ASSISTANT SECRETARY OF THE ARMY
(PROCUREMENT)
DEPUTY ASSISTANT SECRETARY OF THE NAVY
(PROCUREMENT)
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE
(CONTRACTING)
DEFENSE AGENCY AND DOD FIELD ACTIVITY DIRECTORS

SUBJECT: Class Deviation—Prohibition on Use of the Governmentwide Commercial Purchase Card for Certain Contracts

Effective immediately, contracting officers shall not authorize use of the Governmentwide Commercial Purchase Card (GPC) as a method of purchase or payment against a contract that contains Federal Acquisition Regulation (FAR) clause 52.229-12, Tax on Certain Foreign Procurements.

FAR clause 52.229-12 requires the Government to withhold an excise tax on payments under certain foreign procurements to comply with 26 U.S.C. 5000C. The GPC does not provide a method for the Government to accomplish this withholding, because payments are electronically transmitted to the contractor by the issuing bank upon authorization of the GPC transaction; the Government's payment goes to the issuing bank. Therefore, contracting officers cannot use the GPC to place a task order or delivery order or to make a payment against a contract that is subject to the withholding required by FAR clause 52.229-12.

This class deviation remains in effect until it is incorporated into the DFARS, or otherwise rescinded. My point of contact is Ms. Sheila McGlynn, who may be reached at Sheila.a.mcglynn.civ@mail.mil.

John M. Tenaglia
Principal Director,
Defense Pricing and Contracting