

## CLIENT ALERT

### Significant Changes on the Horizon to the Limitations on Subcontracting

January 14, 2015

On December 29, 2014, the Small Business Administration issued long overdue proposed amendments to its regulations (with 60 days for comments) to implement many of the provisions of the National Defense Authorization Act of 2013, most notably with a complete overhaul of the calculation of the limitations on subcontracting. Additional proposed revisions include: greater specificity to the identity of interest affiliation test; exemptions from affiliation for small business joint venture members and "similarly situated" subcontractors; a new recertification requirement for mergers/acquisitions occurring after proposal submission but prior to award; changes to the nonmanufacturer rule; and a new reporting mechanism and expanded sanctions related to subcontracting plan compliance.

For more information, please contact the professional(s) listed below, or your regular Crowell & Moring contact.

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