



## DEFENSE SECURITY COOPERATION AGENCY

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WASHINGTON, D.C. 20301-2800

30 January 2026

### MEMORANDUM FOR DEPUTY UNDER SECRETARY OF THE AIR FORCE FOR INTERNATIONAL AFFAIRS

DEPUTY ASSISTANT SECRETARY OF THE ARMY FOR  
DEFENSE EXPORTS AND COOPERATION

DEPUTY ASSISTANT SECRETARY OF THE NAVY FOR  
INTERNATIONAL PROGRAMS

DIRECTOR, DEFENSE CONTRACT MANAGEMENT AGENCY

DIRECTOR, DEFENSE INFORMATION SYSTEMS AGENCY

DIRECTOR, DEFENSE LOGISTICS AGENCY

DIRECTOR, DEFENSE THREAT REDUCTION AGENCY

DIRECTOR, MISSILE DEFENSE AGENCY

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AGENCY

DIRECTOR, SECURITY COOPERATION ACCOUNTING

DIRECTORATE, DEFENSE FINANCE AND ACCOUNTING  
SERVICE, INDIANAPOLIS OPERATIONS

DIRECTOR OF CYBERSECURITY DIRECTORATE AND DEPUTY  
NATIONAL MANAGER FOR NATIONAL SECURITY  
SYSTEMS, NATIONAL SECURITY AGENCY

**SUBJECT:** Defense Security Cooperation Agency Policy Memorandum 25-100, Clarification of 12 Month Supply Discrepancy Report Period During Final Reconciliation [SAMM E-change 793]

This memorandum provides an update to the Security Assistance Management Manual (SAMM) to clarify the timeline for accomplishing closure of Foreign Military Sales (FMS) cases in the context of the Supply Discrepancy Report (SDR) process. The existing SAMM language leads to delays in case closure due to the Implementing Agencies' (IAs) inconsistent interpretation of existing policy. FMS cases should be marked Supply/Services Complete (SSC) upon final delivery of defense articles/services and closed 12 months after posting the SSC milestone. For FMS cases where the final delivery of defense articles/services occurred more than 12 months prior to posting the SSC milestone, IAs should initiate case closure activities immediately upon marking the case SSC, irrespective of the status of any ongoing SDRs. This clarification will be implemented across all relevant sections of the SAMM.

If you have any questions concerning this memorandum, please contact the Financial Policy & Regional Execution Directorate, Financial Policy Division (OBO/FPRE/FP)) at

[dsca.ncr.obo.list.fpre-fp@mail.mil](mailto:dsca.ncr.obo.list.fpre-fp@mail.mil). If you have any general questions about the SAMM, please contact DSCA (Office of Strategy, Plans, and Policy, Execution Policy and Analysis Directorate (SPP/EPA)) at [dsca.ncr.spp.mbx.epa@mail.mil](mailto:dsca.ncr.spp.mbx.epa@mail.mil).

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Brian Watford  
Acting Chief Operating Officer and Chief Financial  
Officer

Attachment: Security Assistance Management Manual E-Change 793

## Security Assistance Management Manual E-Change 793

### 1. Update Section C16.3.1.1.1.:

- From:

**C16.3.1.1.1. Cases are Supply Services Complete for at least 12 months.** The 12 months allows for final reconciliation actions and considers the purchaser's right to submit a Supply Discrepancy Report (SDR) associated with the final delivery. This time period can be reduced, however, if the purchaser confirms in writing (e-mail or meeting minutes are acceptable) that the submission of SDRs is not anticipated. This statement does not waive the FMS purchaser's right to submit an SDR as indicated in the [LOA Standard Terms and Conditions 5.4](#). The following applies to ACCP closure eligibility:

- To:

**C16.3.1.1.1. Cases are Supply Services Complete Following Final Delivery.** FMS cases are marked as "Supply Services Complete" following final delivery of defense articles. At this time the Implementing Agencies will accomplish final reconciliation actions and prepare cases for closure. A partner may submit an SDR for 12 months following delivery of defense articles/services and is not restricted from doing so simply because a case entered SSC status. After the 12-month period, cases will be closed.

### 2. Update Section C16.3.1.2.1.1.:

- From:

**C16.3.1.2.1.1. Case are Supply Complete for at Least 12 months.** The 12 months allows for final reconciliation actions and considers the purchaser's right to submit an SDR associated with the final delivery. This time period can be reduced, however, if the purchaser confirms in writing (e-mail or meeting minutes are acceptable) that the submission of SDRs is not anticipated. This statement does not waive the FMS purchaser's right to submit an SDR as indicated in the [LOA Standard Terms and Conditions Section 5.4](#). The following applies to Non-ACCP closure eligibility:

- To:

**C16.3.1.2.1.1. Case are Supply Services Complete for at Least 12 Months Following Final Delivery.** The period of 12 months following final delivery of defense articles before a case is closed allows for final reconciliation actions and considers the purchaser's right to submit an SDR associated with the final delivery. The 12-month SDR period is calculated using the delivery date or passage of title for defense articles, not SSC status date. A partner's ability to submit a SDR for is not restricted simply because a case entered SSC status. This 12-month period before case closure can be reduced,

however, if the purchaser **can confirm** in writing (e-mail or meeting minutes are acceptable) that the submission of SDRs is not anticipated. This statement does not waive the FMS purchaser's right to submit an SDR as indicated in the [LOA Standard Terms and Conditions Section 5.4](#). The following applies to Non-ACCP closure eligibility:

3. Update Section AP7.C1.5.2.:

- From:

**AP7.C1.5.2. Accelerated Case Closure Procedure.** Cases should be certified for closure under ACCP within 24 months post-SSC, and it is preferred that they are closed as soon as possible once they are 12 months post-SSC (exceptions are addressed in [Appendix 7, Chapter 3](#)). The 12 months allows for consideration of the purchaser's right to submit a Supply Discrepancy Report (SDR) associated with the final delivery. This time period can be reduced, however, if the purchaser confirms in writing (e-mail or meeting minutes are acceptable) that the submission of SDRs is not anticipated. This statement does not waive the FMS purchaser's right to submit an SDR as indicated in the [LOA Standard Terms and Conditions, Section 5.4](#). The underlying contracts supporting the FMS case do not need to be completed for the FMS case to interim close if there are Unliquidated Obligations (ULOs) on the contract associated with the FMS case, or to direct final close if there are no ULOs associated with the FMS case. The detailed procedures for ACCP are discussed in [Appendix 7, Chapters 3](#) and [Chapter 4](#).

- To:

**AP7.C1.5.2. Accelerated Case Closure Procedure.** Cases should be certified for closure under ACCP within 24 months post-SSC, and it is preferred that they are closed as soon as possible once they are 12 months post-SSC (exceptions are addressed in [Appendix 7, Chapter 3](#)). The period of 12 months following final delivery of defense articles before a case is closed allows for final reconciliation actions and considers the purchaser's right to submit a Supply Discrepancy Report (SDR) associated with the final delivery. The 12-month SDR period is calculated using the delivery date or passage of title for defense articles, not SSC status date. A partner's ability to submit a SDR for is not restricted simply because a case entered SSC status. This 12-month period before case closure can be reduced, however, if the purchaser **can confirm** in writing (e-mail or meeting minutes are acceptable) that the submission of SDRs is not anticipated. This statement does not waive the FMS purchaser's right to submit an SDR as indicated in the [LOA Standard Terms and Conditions, Section 5.4](#). The underlying contracts supporting the FMS case do not need to be completed for the FMS case to interim close if there are Unliquidated Obligations (ULOs) on the contract associated with the FMS case, or to direct final close if there are no ULOs associated with the FMS case. The detailed procedures for ACCP are discussed in [Appendix 7, Chapters 3](#) and [Chapter 4](#).

4. Update SAMM Section AP7.C3.3.1.1.:

- From:

**AP7.C3.3.1.1.** Cases are typically SSC for at least one year. The one year allows for final reconciliation actions and considers the purchaser's right to submit an Supply Discrepancy Report (SDR) associated with the final delivery. However, the one-year timeframe can be reduced if the purchaser confirms in writing (e-mail or meeting minutes are acceptable) that no additional SDRs shall be submitted.

- To:

**AP7.C3.3.1.1. Cases are Supply Services Complete Following Final Delivery.** FMS cases are marked as “Supply Services Complete” following final delivery of defense articles. At this time the Implementing Agencies will accomplish final reconciliation actions and prepare cases for closure. A partner may submit an SDR for 12 months following delivery of defense articles/services and is not restricted from doing so simply because a case entered SSC status. After the 12-month period, cases will be closed.

5. Update SAMM Section AP7.C3.3.2.1.:

- From:

**AP7.C3.3.2.1.** Cases are typically SSC for at least 12 months. The 12 months allows for final reconciliation actions and considers the purchaser's right to submit an SDR associated with the final delivery. The 12 month timeframe can be reduced, however, if the purchaser confirms in writing (e-mail or meeting minutes are acceptable) that no additional SDRs shall be submitted.

- To:

**AP7.C3.3.2.1.** While cases are typically in Supply Service Complete (SSC) status for 12 months to allow for final reconciliation and the submission of Supply Discrepancy Reports (SDRs), this timeframe is not absolute. The 12-month period can be reduced if the purchaser confirms in writing (e.g., email or meeting minutes) that no additional SDRs will be submitted. Implementing Agencies should document this confirmation and proceed with closure actions accordingly.