



DEFENSE SECURITY COOPERATION AGENCY

2800 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-2800

24 SEPT 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
DIRECTOR, NATIONAL GEOSPATIAL-INTELLIGENCE
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 26-99, Update of
Multinational Foreign Military Sales Documentation Requirements, Security
Assistance Management Manual Chapter 5.8 [SAMM E-Change 866]

This policy memorandum supports [DSCA Policy Memo 25-64](#), Reissuance of Security Assistance Management Manual (SAMM) Section 5.8., Multinational Foreign Military Sales (FMS), December 18, 2025, and updates the documentation requirements supporting Multinational FMS policy. This policy memorandum also administratively moves Figure C5.F20. and Figure C5.F27. to [Appendix 6](#), "Letter of Offer and Acceptance Notes Listing."

This change will take effect immediately and the policy in the attachment is incorporated into the DSCA SAMM at <https://samm.dsca.mil>. If you have any questions concerning this guidance, please contact DSCA (Office of Strategy, Plans, and Policy, Execution Policy and Analysis Directorate (SPP/EPA)), dsca.ncr.spp.mbx.epa@mail.mil. Implementing Agencies should disseminate this policy to supporting activities.

A handwritten signature in blue ink, appearing to read "Hussam H. Bader", is located below the text.

Hussam H. Bader
Acting Assistant Director
Strategy, Plans, and Policy

Attachments:

1. SAMM E-Change 866 - Chapter 5 Multinational Foreign Military Sales Documentation Requirements Updates

Attachment 1: Security Assistance Management Manual E-Change 866

Chapter 5 Multinational Foreign Military Sales Documentation Requirements Updates

- 1) Update Figure C5.F20. Standard Note in a Lead Nation Case as follows, and move to Appendix 6:

Chapter 5 Update:

Figure C5.F20. Standard Note in a Lead Nation Case

See Appendix 6 [Standard Note in a Lead Nation Case](#) for note text.

Appendix 6 update:

Standard Note in a Lead Nation Case

Building Partner Capacity:	No
Foreign Military Sales:	Yes
Note Input Responsibility:	IA
Date Range of Use:	All
References:	See Section C5.8.2.7 .
Note Usage Instructions for Documents:	
Mandatory for all new basic Letters of Offer and Acceptance (LOAs) for Lead Nation FMS cases, and all LOAs for Lead Nation FMS amendments and modifications.	
Note Text:	
1. [XXX] will act as Lead Nation (Purchaser) on this Letter of Offer and Acceptance (LOA) and [YYY] will act as Participating Nation(s) on this LOA FMS Case [XX-X-XXX]. The Lead Nation will ensure that no defense article or service under from this LOA case, which includes any amendments to the LOA, is transferred to a Participating Nation until the Participating Nation has signed the separate “Basic Retransfer Assurances and Letter of Offer and Acceptance (LOA) Standard Terms and Conditions for Participating Nations” and such signed terms and conditions are returned to the U.S. Government (USG). Upon delivery of the defense article or service from the Lead Nation to the a Participating Nation(s), the Lead Nation will be is required to submit in writing to the U.S. Department of State State Department (State) at PM_RSAT-TPT@state.gov, a note report to reference the initial transfer to the that Participating Nation(s). Subsequent retransfers among the Participating Nation(s) and/or Lead Nation (if the Lead Nation is also procuring on this FMS case for its own national use) will be are subject to the retransfer requirements outlined in Section 2.4 of the separate	

LOA Standards Terms and Conditions, as well as any written retransfer authorizations received from the USG.

2. The Purchaser, acting as the Lead Nation ~~and distinct from the Participating Nations, as distinct from the participating transferee nations,~~ agrees, ~~with respect to any subsequent retransfer of defense articles to it by the North Atlantic Treaty Organization (NATO) Organization or the countries named on this LOA,~~ that it shall not, unless the prior written consent of the Government of the United States of America ~~has been first~~ is obtained:
 - a) Permit any use of defense articles ~~originally~~ provided on ~~this LOA FMS Case [XX-X-XXX]~~, including related data and information, by anyone not an officer, employee, or agent of the Purchaser; and
 - b) Transfer or permit any ~~of its officers, employees, or agents of the Purchaser~~ to transfer such ~~commodity~~ defense articles, including related data and information, by gift, sale, or otherwise to anyone other than ~~the NATO Organization or the countries named on this LOA FMS Case [XX-X-XXX]~~.
- ~~3. The Purchaser agrees to seek advance consent from State prior to any subsequent retransfer to a NATO member country or country identified in Section 3(d)(5) of the Arms Export Control Act (AECA) (22 U.S.C. 2753(d)(5)) and named on this LOA if the original acquisition value of the articles being retransferred is \$25M or more of Major Defense Equipment (MDE) or \$100M or more in total value, or prior to any subsequent retransfer to a NATO Organization or non NATO member country named on this LOA if the original acquisition value of the articles being retransferred is \$14M of MDE or \$50M in total value. For retransfers below these thresholds to any country named on this LOA, advance consent is not required.~~
3. If State has approved a Blanket Retransfer for this case, Transferee ~~NATO Organization or Participating Nation country(ies) countries~~ named on ~~this LOA FMS Case [XX-X-XXX]~~ will report their retransfers to the Lead Nation on a quarterly basis. The Purchaser agrees to provide the information on its own retransfers ~~(if the Lead Nation is also procuring on this case for its own national use)~~ as well as those of the Participating Nation(s) by email to PM_RSAT-TPT@state.gov in a quarterly report to State by the 15th of each month following the end of each quarter in which a retransfer has occurred.
4. The Purchaser agrees to maintain the security of such ~~commodity~~ defense articles while in its possession, including related data and information, and will provide substantially the same degree of security protection afforded by the Government of the United States of America.
5. The Purchaser agrees that, unless prior written consent of the Government of the United States of America has ~~first~~ been obtained, it will use such ~~commodity~~ defense articles, including related data and information, solely for internal security, for legitimate self-defense, for preventing or hindering the proliferation of weapons of mass destruction and of the means of delivering such weapons, to permit the Purchaser to participate in regional or collective arrangements or measures consistent with the Charter of the United Nations, or otherwise to permit the Purchaser to participate in collective

measures requested by the United Nations for the purpose of maintaining or restoring international peace and security.

2) Update Figure C5.F21. Basic Retransfer Assurances for Lead Nation as follows:

Figure C5.F21. Basic Retransfer Assurances for Lead Nation

~~The~~ [Lead Nation] has the honor to refer to the provisions of United States law that require ~~the~~ Lead Nation to provide to the Government of the United States of America (USG) end use, retransfer, and security assurances before the USG may consent to a request to retransfer ~~to it~~ defense articles provided through Foreign Military Sales (FMS) Case [XX-X-XXX] by the Governments of [Participating Nations], or additional Participating Nations as may be added in later LOA Amendments to basic case [XX-X-XXX].

In accordance with the foregoing, ~~the~~ [Lead Nation] hereby gives its assurances:

- (A) **Restrictions on Use and Transfer:** That [Lead Nation] shall not, unless the prior written consent of the USG has been first obtained:
- (I) Permit any use of defense articles provided on FMS Case [XX-X-XXX], including related data and information, by anyone not an officer, employee, or agent of [Lead Nation]; and
 - (II) Transfer or permit any officer, employee, or agent of [Lead Nation] to transfer such ~~commodity~~ defense articles, including related data and information, by gift, sale, or otherwise to anyone other than the Governments of [Participating Nations], or additional Participating Nation(s) as may be added in ~~later~~ future LOA Amendments to ~~basic case~~ FMS Case [XX-X-XXX].
 - ~~(III) — That for any subsequent retransfer to the Governments of [Participating Nations], or any other participating countries as may be added in later Amendments to basic case [XX-X-XXX], to seek advance consent from the U.S. Department of State (State) prior to any retransfer for which the original acquisition value of the articles being retransferred is \$25M or more or Major Defense Equipment (MDE) or \$100M or more in total value or for retransfers to [Lead Nation] of \$14M of MDE or \$50M in total value.~~
 - ~~(IV) — For retransfers below these thresholds, advance consent is not required. In each case, [Lead Nation] will report any such retransfers by email to PM_RSAT-TPT@state.gov in a quarterly report to State by the 15th of each month following the end of each quarter in which a retransfer has occurred.~~
- (B) **Blanket Retransfer Reporting:** If the U.S. Department of State (State) has approved a Blanket Retransfer for FMS Case [XX-X-XXX], [Lead Nation] will report their retransfers (if the Lead Nation is also procuring on this FMS case for its own national use), as well as those of the Participating Nations(s), by email to PM_RSAT-TPT@state.gov in a quarterly report to State by the 15th of each month following the end of each quarter in which a retransfer has occurred.

- (C) **Security:** That [Lead Nation] will maintain the security of such ~~commodity defense articles~~ while in its possession, including related data and information, and will provide substantially the same degree of security protection afforded by the USG.
- (D) **Authorized Use:** That, unless prior written consent of the USG has first been obtained, [Lead Nation] will use such ~~commodity defense articles~~, including related data and information, solely for internal security, for legitimate self-defense, for preventing or hindering the proliferation of weapons of mass destruction and of the means of delivering such weapons, to permit ~~the~~ [Lead Nation] to participate in regional or collective arrangements or measures consistent with the Charter of the United Nations, or otherwise to permit [Lead Nation] to participate in collective measures requested by the United Nations for the purpose of maintaining or restoring international peace and security.

For and on behalf of ~~the~~ [Lead Nation],

Signature

Date

Typed Name and Title

Agency

3) Remove Sections C5.8.2.9.2.5. and C5.8.2.9.2.6. from Chapter 5:

~~C5.8.2.9.2.5. If the Original Acquisition Value (OAV) of the defense articles being retransferred to a particular Participating Nation does not exceed the CN values identified for it in Table C5.T22. and in the end use assurances, the owning country may retransfer the defense articles and report the details of the retransfer to the Lead Nation for quarterly forwarding to State (PM/RSAT).~~

~~C5.8.2.9.2.6. If the OAV would exceed the NATO threshold for retransfers to NATO member countries, or the non-NATO threshold for retransfer to NSPA or a non-NATO country, the transferring country must seek prior consent from State (PM/RSAT) before~~

~~making the retransfer. Such retransfer will require CN consistent with the notification periods identified in Table C5.T22.~~

- 4) Update Figure C5.F22. Basic Retransfer Assurances and Foreign Military Sales Case Standard Terms and Conditions for Participating Nations as follows:

Figure C5.F22. Basic Retransfer Assurances and ~~Letter of Offer and Acceptance (LOA)~~ Foreign Military Sales Case Standard Terms and Conditions for Participating Nations

This ~~Foreign Military Sales (FMS) Case [XX-X-XXX] Letter of Offer and Acceptance (LOA)~~ is implemented under SAMM [Section C5.8.](#), guidance for Lead Nation Procurements. Transferees agree to be bound by these Standard Terms and Conditions for Transferees under Lead Nation Procurement for ~~LOA FMS Case [XX-X-XXX]~~. Transferees are defined as ~~Participating Nations that are procuring on FMS Case [XX-X-XXX], a North Atlantic Treaty Organization (NATO) organization or nations that are named in this LOA, separate from other than~~ the Lead Nation. The Lead Nation is defined as ~~an FMS-eligible NATO organization or NATO Ally or European non-NATO country nation or an FMS-eligible NATO International Organization~~ that is bound by all Standard Terms and Conditions of ~~this LOA FMS Case [XX-X-XXX]~~, including but not limited to Part 4, and other special notes.

[Country Name]

Transferee

Sections:

1. Conditions - ~~United States Government~~ ~~USG~~ Obligations
2. Conditions - General Transferee Agreements
3. Indemnification and Assumption of Risks
4. Financial Terms and Conditions
5. Transportation and Discrepancy Provisions
6. Warranties
7. Amendment and Dispute Resolution
8. Subsequent Retransfers Among the Lead Nation and Transferees

1. Conditions - United States Government Obligations

1. The ~~United States Government~~ (USG) may incorporate Anti-Tamper (AT) protection into weapon systems and components that contain Critical Program Information (CPI). The AT protection will not affect operational capability, maintenance, or logistics

provided that all terms delineated in the system technical documentation are followed.

2. Under unusual and compelling circumstances, when the national interest of the United States (U.S.) requires, the USG reserves the right to cancel or suspend all or part of ~~this LOA FMS Case [XX-X-XXX]~~ at any time prior to the delivery of defense articles or performance of defense services. The USG will be responsible for termination costs of its suppliers resulting from cancellation or suspension under this section. Termination by the USG of its contracts with its suppliers, other actions pertaining to such contracts, or cessation of deliveries or performance of defense services are not to be construed as cancellation or suspension of ~~this LOA FMS Case [XX-X-XXX]~~ itself under this section.
3. U.S. personnel performing defense services under ~~this LOA FMS Case [XX-X-XXX]~~ will not perform combat duties, including duties relating to training and advising that may engage U.S. personnel in combat activities outside the United States in connection with the performance of these defense services.
4. The assignment or employment of U.S. personnel for the performance of ~~this LOA FMS Case [XX-X-XXX]~~ by the USG will not take into account race, religion, national origin, or sex.
5. Unless otherwise specified, ~~this LOA FMS Case [XX-X-XXX]~~ may be made available for public inspection consistent with the national security of the United States.

2. Conditions - General Transferee Agreements

1. The Transferee agrees, except as may otherwise be mutually agreed in writing by the Transferee and the USG, to use the defense articles sold hereunder only:
 - a) for internal security;
 - b) for legitimate self-defense;
 - c) for preventing or hindering the proliferation of weapons of mass destruction and of the means of delivering such weapons;
 - d) to permit the Transferee to participate in regional or collective arrangements or measures consistent with the Charter of the United Nations, or otherwise to permit the Transferee to participate in collective measures requested by the United Nations for the purpose of maintaining or restoring international peace and security;
 - e) for the purpose of enabling foreign military forces in less developed countries to construct public works and to engage in other activities helpful to social and economic development;
 - f) for purposes specified in any Mutual Defense Assistance Agreement between the USG and the Transferee; or
 - g) for purposes specified in any other bilateral or regional defense agreement to which the USG and the Transferee are both parties.
2. The Transferee agrees that the USG retains the right to verify reports that defense articles and services have been used for purposes not authorized or for uses not

consented to by the USG.

3. The Transferee will not transfer title to, or possession of, the defense articles, components and associated support materiel, related training or other defense services (including plans, specifications, or information), or technology furnished under ~~this LOA FMS Case [XX-X-XXX]~~ to anyone who is not an officer, employee, or agent of the Transferee (excluding transportation agencies) or of the USG, and shall not use or permit their use for purposes other than those authorized, unless the written consent of the USG has first been obtained, except as permitted under Condition 8. For subsequent retransfers among the Lead Nation (~~if the Lead Nation is procuring for its own national use on FMS Case [XX-X-XXX]~~) and Transferees, the Transferee will ensure, by all means available to it, respect for proprietary rights in any items and any plans, specifications, or information furnished, whether protected by patents or trade secrets or not. ~~The Transferee also agrees that the defense articles offered will not be transferred to Cyprus or otherwise used to further the severance or division of Cyprus, and recognizes that the U.S. Congress is required to be notified of any substantial evidence that the defense articles sold under this LOA have been used in a manner that is inconsistent with this provision.~~
4. The Transferee agrees not to divert articles and services received under ~~this LOA FMS Case [XX-X-XXX]~~ for purposes or uses other than those for which it was furnished, including, but not limited to, any use that could contribute to the acquisition, design, development, or production of a “missile,” as defined in the [Arms Export Control Act \(AECA\), Section 74 \(22 U.S.C. 2797c\)](#). The items will be used only for the purposes stated, and such use will not be modified nor the items modified or replicated without the prior consent of the USG; neither the items nor replicas nor derivatives thereof will be retransferred without the consent of the USG. The USG has the right to take action under [AECA, Section 73\(a\) \(22 U.S.C. 2797b\(a\)\)](#) in the case of any export or transfer of any Missile Technology Control Regime (MTCR) equipment or technology that contributes to the acquisition, design, development, or production of missiles in a country that is not an MTCR adherent.
5. The Transferee will maintain the security of such article or service and will provide substantially the same degree of security protection afforded to such article or service by the USG. To the extent that items, including plans, designs, specifications, technical data, or information furnished in connection with ~~this LOA FMS Case [XX-X-XXX]~~ may be classified by the USG for security purposes, the Transferee certifies that it will maintain a similar classification and employ measures necessary to preserve such security, equivalent to those employed by the USG and commensurate with security agreements between the USG and the Transferee. If such security agreements do not exist, the Transferee certifies that classified items will be provided only to those individuals having an adequate security clearance and a specific need to know in order to carry out the ~~LOA FMS Case [XX-X-XXX]~~ program and that it will promptly and fully inform the USG of any compromise, or possible compromise, of U.S. classified material or information furnished pursuant to ~~this LOA FMS Case [XX-X-XXX]~~. The Transferee further certifies that if a U.S. classified item is to be furnished to its contractor pursuant to ~~this LOA FMS Case [XX-X-XXX]~~:

- a) the item will be exchanged through official USG channels,
- b) the specified contractor will have been granted a facility security clearance by the Transferee at a level at least equal to the classification level of the U.S. information involved,
- c) all contractor personnel requiring access to such items will have been cleared to the appropriate level by the Transferee, and
- d) the Transferee is also responsible for administering security measures while the item is in the contractor's possession.

If a commercial transportation agent is to be used for shipment, the Transferee certifies that such agent has been cleared at the appropriate level for handling classified items. These measures will be maintained throughout the period during which the USG may maintain such classification. The USG will use its best efforts to notify the Transferee if the classification is changed.

6. Pursuant to the [Foreign Assistance Act \(FAA\) of 1961, Section 505, as amended \(22 U.S.C. 2314\)](#), and the [AECA, Section 40A \(22 U.S.C. 2785\)](#), the USG will be permitted, upon request, to conduct End Use Monitoring (EUM) verification with respect to the use, transfer, and security of all defense articles and defense services transferred under ~~this LOA FMS Case [XX-X-XXX]~~. The Transferee agrees to permit scheduled inspections or physical inventories upon USG request, except when other means of EUM verification shall have been mutually agreed. Upon request, inventory and accountability records maintained by the Transferee will be made available to U.S. personnel conducting EUM verification.
7. The USG is not a party to any offset agreements/arrangements that may be required by the Transferee in relation to the sales or transfers made in ~~this LOA FMS Case [XX-X-XXX]~~. The USG assumes no obligation to administer or satisfy any offset requirements or bear any of the associated costs. To the extent that the Transferee requires offsets in conjunction with this sale or transfer, offset costs may be included in the price of contracts negotiated under ~~this LOA FMS Case [XX-X-XXX]~~. Such costs will be determined or deemed to be reasonable in accordance with the [Defense Federal Acquisition Regulation Supplement \(DFARS\), Subpart 225.77](#). If the Transferee desires visibility into these costs, the Transferee should raise this with the contractor during negotiation of offset arrangements.
8. The Transferee acknowledges that it will receive through ~~this LOA FMS Case [XX-X-XXX]~~ only defense articles that are approved as appropriate for release and use for all other transferees.
9. The Transferee agrees that it will not share title, ownership, or possession of any defense article acquired through ~~this LOA FMS Case [XX-X-XXX]~~ with any other Transferee, other foreign government, international organization, or other third party.

3. Indemnification and Assumption of Risks

1. The Transferee recognizes that the USG will procure and furnish the items described in ~~this LOA FMS Case [XX-X-XXX]~~ on a non-profit basis for the benefit of the Lead Nation Purchaser and Transferee. The Transferee therefore undertakes to indemnify

and hold the USG, its agents, officers, and employees harmless from any and all loss or liability (whether in tort or in contract) that might arise in connection with ~~this LOA FMS Case [XX-X-XXX]~~ because of:

- a) Injury to or death of personnel of the Transferee or third parties;
 - b) Damage to or destruction of (~~a~~1) property of ~~DoD DoW~~ furnished to the Transferee or suppliers specifically to implement ~~this LOA FMS Case [XX-X-XXX]~~, (~~b~~2) property of the Transferee (including the items ordered by the Transferee pursuant to ~~this LOA FMS Case [XX-X-XXX]~~, before or after passage of title to the Transferee), or (~~e~~3) property of third parties; or
 - c) Infringement of intellectual property or technical data rights.
2. Subject to express, special contractual warranties obtained for the Transferee, the Transferee agrees to relieve the contractors and subcontractors of the USG from liability for, and will assume the risk of, loss or damage to:
- a) The Transferee's property (including items procured pursuant to ~~this LOA FMS Case [XX-X-XXX]~~, before or after passage of title to Transferee); and
 - b) Property of ~~DoD DoW~~ furnished to suppliers to implement ~~this LOA FMS Case [XX-X-XXX]~~, to the same extent that the USG would assume for its property if it were procuring for itself the items being procured.

4. Financial Terms and Conditions

1. Any articles, equipment, materials, supplies, goods, or other commodities purchased with USG assistance funds appropriated and allocated pursuant to foreign operations, export financing, and related-programs appropriations acts in support of ~~this LOA FMS Case [XX-X-XXX]~~, whether provided directly by the USG or through procurement contracts or otherwise in support of ~~this LOA FMS Case [XX-X-XXX]~~, will be exempt from all value-added taxes and customs duties imposed by the ~~recipient country Lead Nation~~, or the full amount of the tax or customs duty must be reimbursed by the Transferee. This exemption is in addition to any other tax exemption provided by the Transferee through separate agreements or other means.

5. Transportation and Discrepancy Provisions

1. The USG agrees to deliver and pass title to the Lead Nation Purchaser at the initial point of shipment unless otherwise specified in ~~this LOA FMS Case [XX-X-XXX]~~. With respect to items procured for sale to the Lead Nation Purchaser, this will normally be at the manufacturer's loading facility; with respect to items furnished from USG stocks, this will normally be at the U.S. depot. Articles will be packed, crated, or otherwise prepared for shipment prior to the time title passes. If "Point of Delivery" is specified as a place other than the initial point of shipment, the supplying U.S. department or agency will arrange movement of the articles to the authorized delivery point as a reimbursable service, but will pass title at the initial point of shipment. The USG disclaims any liability for damage or loss to the items incurred after passage of title to the Lead Nation Purchaser irrespective of whether transportation is by common carrier or by the U.S. Defense Transportation System (DTS).

2. The Transferee agrees to accept a [Defense Department \(DD\) Form 250](#) “Material Inspection and Receiving Report” or other delivery documents from the Lead Nation Purchaser as evidence that title has passed and items have been delivered. [Standard Form \(SF\) 364](#) “Supply Discrepancy Report (SDR)” will be used in submitting claims to the USG for damage, item deficiency, improper identification, improper documentation, or non-performance of defense services. The [Standard Form 364](#) will be submitted promptly by the Transferee to the Lead Nation Purchaser. The USG will disallow any claim, including a claim for nonperformance, received more than one year after initial delivery to the Lead Nation Purchaser or more than one year after initial passage of title to the defense articles to the Lead Nation Purchaser, whichever comes first, or received more than one year after the end of the scheduled period of performance for defense services, unless the USG determines that unusual and compelling circumstances involving latent defects justify consideration of the claim. The USG will not accept claims from Transferees for non-shipment or non-receipt of any defense articles or equipment. The Transferee agrees to return discrepant articles to the USG’s custody through the Lead Nation Purchaser promptly in accordance with any direction provided by the USG or the Lead Nation Purchaser. The Transferee may submit SDRs for documentation purposes regardless of the dollar value, but only SDRs valued at \$200 or more will be reviewed for possible compensation regardless of the type of discrepancy. This minimum value includes the value of the item plus any transportation and handling costs.

6. Warranties

1. The USG does not warrant or guarantee any of the items sold pursuant to ~~this LOA~~ [FMS Case \[XX-X-XXX\]](#) except as provided in [SAMM Section 6.1.1](#). ~~DoD~~ DoW contracts include warranty clauses only on an exception basis. If requested by the Lead Nation Purchaser, the USG will, with respect to items being procured, and upon timely notice, attempt to obtain contract provisions to provide the requested warranties. The USG further agrees to exercise, upon the Lead Nation Purchaser’s request, rights (including those arising under any warranties) that the USG may have under contracts connected with the procurement of these items. Additional costs resulting from obtaining special contract provisions or warranties, or the exercise of rights under such provisions or warranties, will be charged to the Lead Nation Purchaser.
 - a) The USG warrants the title of items sold to the Lead Nation Purchaser hereunder, but it makes no warranties other than those set forth herein. In particular, the USG disclaims liability resulting from infringement of intellectual property or technical data rights occasioned by the use or manufacture outside the United States by or for the Transferee of items supplied hereunder.
 - b) The USG agrees to exercise warranties on behalf of the Lead Nation Purchaser to ensure, to the extent provided by the warranty, replacement or correction of such items found to be defective, when such materiel is procured for the Lead Nation Purchaser.
2. Unless the condition of defense articles is identified to be other than serviceable (for example, "as-is"), ~~DoD~~ DoW will repair or replace at no extra cost defense articles

supplied from ~~DoD~~ DoW stocks that are damaged or found to be defective in respect to materiel or workmanship when it is established that these deficiencies existed prior to passage of title to the Lead Nation Purchaser, or found to be defective in design to such a degree that the items cannot be used for the purpose for which they were designed. Qualified representatives of the USG and of the Lead Nation Purchaser will agree on the liability hereunder and the corrective steps to be taken.

7. Amendments and Dispute Resolution

1. ~~This LOA FMS Case [XX-X-XXX]~~ is subject to U.S. law and regulation, including U.S. procurement law.
2. The USG and the Transferee agree to resolve any disagreement regarding ~~this LOA FMS Case [XX-X-XXX]~~ by consultations and not to refer any such disagreement to any international tribunal or third party for settlement.
3. The Transferee agrees that the USG will not negotiate, manage, or enforce any arrangement that the Transferee has with the Lead Nation, including, but not limited to, any financial arrangements. ~~The Transferee will not use this LOA or any contracts carrying out this LOA as a means to implement any financial relationship with the Lead Nation.~~
4. Amendments to ~~this LOA FMS Case [XX-X-XXX]~~. Any change to the Lead Nation Purchaser or any addition to the ~~initial Participating Nation~~ Transferees must be approved by the USG. Other amendments to ~~the LOA FMS Case [XX-X-XXX]~~ must be approved by the Lead Nation Purchaser. The USG will determine whether ~~Participating Nation~~ transferees must approve any other amendments to ~~the LOA FMS Case [XX-X-XXX]~~.

8. Subsequent Retransfers Among the Lead Nation and Transferees

1. The Transferee agrees, with respect to any subsequent retransfer of defense articles to it by the ~~Lead Nation NATO Organization or countries~~ named on the current version of ~~Foreign Military Sales (FMS) Case [XX-X-XXX]~~, that it shall not, unless the prior written consent of the ~~USG Government of the United States of America~~ has been first obtained.
 - a) Permit any use of defense articles originally provided on FMS Case [XX-X-XXX], including related data and information, by anyone not an officer, employee, or agent (excluding transportation agencies) of the Transferee; and
 - b) Transfer or permit any officer, employee, or agent (excluding transportation agencies) of the Transferee to transfer such ~~commodity defense articles~~, including related data and information, by gift, sale, or otherwise to anyone other than the ~~NATO Organization or~~ countries named on the current version of FMS Case [XX-X-XXX].
 - c) ~~That the Transferee will seek advance consent from the U.S. Department of State (State) prior to any subsequent retransfer to a NATO member country or country identified in Section 3(d)(5) of the AECA and named on the current version of FMS Case [XX-X-XXX] if the original acquisition value of the articles being retransferred is \$25M or more of Major Defense Equipment (MDE) or \$100M or~~

~~more in total value, or prior to any subsequent retransfer to a NATO Organization or non-NATO member country named on the current version of FMS Case [XX-X-XXX] if the original acquisition value of the articles being retransferred is \$14M of MDE or \$50M in total value. For retransfers below these thresholds, advance consent is not required.~~

2. If the U.S. Department of State (State) has approved a Blanket Retransfer for FMS Case [XX-X-XXX], ~~In each case,~~ the Transferring ~~NATO Organization or country~~ Participating Nation country will report all retransfers to the Lead Nation in order for the Lead Nation to provide the information by email to PM_RSAT-TPT@state.gov in a quarterly report to ~~the~~ State by the 15th of each month following the end of each quarter in which a retransfer has occurred.
3. That the Transferee will maintain the security of such ~~commodity~~ defense articles while in its possession, including related data and information, and will provide substantially the same degree of security protection afforded by the ~~USG Government of the United States of America.~~
4. That, unless prior written consent of the ~~USG Government of the United States of America~~ has first been obtained, the Transferee will use such ~~commodity~~ defense articles, including related data and information, solely for internal security, for legitimate self-defense, for preventing or hindering the proliferation of weapons of mass destruction and of the means of delivering such weapons, to permit the Transferee to participate in regional or collective arrangements or measures consistent with the Charter of the United Nations, or otherwise to permit the Transferee to participate in collective measures requested by the United Nations for the purpose of maintaining or restoring international peace and security.

For and on behalf of [Country Name],

Signature

Date

Typed Name and Title

Agency

- 5) Update Figure C5.F23. Note for Lead Nation North Atlantic Treaty Organization Support Partnership Cases as follows:

Note for Lead Nation North Atlantic Treaty Organization Support Partnership Cases

Building Partner Capacity:	No
Foreign Military Sales:	Yes
Note Input Responsibility:	IA
Date Range of Use:	All
References:	See Section C5.8.2.7.3.
Note Usage Instructions for Documents:	
Mandatory for all new basic Letters of Offer and Acceptance (LOAs) for Lead Nation FMS cases in support of NATO Support Partnerships, and all LOAs for Lead Nation FMS amendments in support of NATO Support Partnerships.	
Note Text:	
Participating Nations listed in Foreign Military Sales (FMS) Case [XX-X-XXX] this LOA may share articles with each other only if and once the following criteria have been are satisfied: 1. The Lead Nation designated in FMS Case [XX-X-XXX] this LOA has requested and received approval from the U.S. Department of State (State) State Department at PM_RSAT-TPT@state.gov for a blanket Third Party Transfer (TPT) between among the designated Participating Nations and the Lead Nation. The Lead Nation is permitted to participate in this blanket TPT only if the Lead Nation is also procuring articles for its own national use on FMS Case [XX-X-XXX]. If the Lead Nation is not procuring on this case for its own national use, the Participating Nations will be the sole participants eligible to take part. While not procuring on the LOA FMS Case [XX-X-XXX], [Country Names XXX] are members of the NATO Support Partnership [Name], and all Support Partnership member countries may want to share the articles outlined in this LOA FMS Case [XX-X-XXX]. As such, the Support Partnership member countries may share together only if and once the following criteria have been are satisfied: 1. The Lead Nation designated in FMS Case [XX-X-XXX] has requested and received approval from State the State Department at PM_RSAT-TPT@state.gov for a blanket TPT Third Party Transfer between among the Support Partnership member countries not procuring on the LOA FMS Case [XX-X-XXX] and the designated Participating Nations, and the Lead Nation. As stated above, the Lead Nation may only be included in this specific blanket TPT if it is actively procuring on this FMS case for its own national use. A blanket TPT Third Party Transfer does not need to include all Support Partnership member countries, but articles the procurement may only be shared among countries with blanket TPT Third Party Transfer approval from State the Department of State.	

6) Update Figure C5.F25. Principal's Letter Assigning an Agent as follows:

Figure C5.F25. Principal's Letter Assigning an Agent

MEMORANDUM TO:

Defense Security Cooperation Agency (DSCA)

[Implementing Agency]

FROM:

[Country Ministry of Defence]

SUBJECT:

Notification of Agency - [North Atlantic Treaty Organization Support and Procurement Agency or Organisation Conjointe de Coopération en matière d'Armement]

1. The Government of [Country], through its [Ministry Of Defence] hereby informs the United States ~~DoD~~ DoW, through the Defense Security Cooperation Agency (DSCA), that the Government of [Country] has agreed with [the North Atlantic Treaty Organization (NATO) Support and Procurement Agency (NSPA), an executive body of the NATO or the Organisation Conjointe de Coopération en matière d'Armement (OCCAR), that [NSPA or OCCAR] will act as the express agent and sole representative of the Government of [Country] on all matters involving any Foreign Military Sales (FMS) case and any associated Letter of Offer and Acceptance (LOA) created in direct response to [NSPA or OCCAR's] [Dated] Letter of Request (LOR).
2. The Government of [Country] (herein referred to as "Principal") confirms its intent to be bound through the agreement establishing [NSPA or OCCAR] (herein referred to as "Agent") as its Agent, by all terms and conditions entered into by the Agent on behalf of the Principal, and by all acts and omissions of the Agent, on matters relating to the FMS case ~~LOA~~ and this Principal's Letter Assigning an Agent ("Letter"), including, but not limited to: executing the FMS case ~~LOA~~ and this Letter and all amendments and modifications to the FMS case ~~LOA~~ and this Letter as the ~~agent~~ Agent of the Principal; and agreeing to all terms and conditions of the FMS case ~~LOA~~ and this Letter, including payment, liability, and indemnification terms, all reporting requirements, and all terms concerning the use, protection, access and transfer of defense articles and services transferred pursuant to the FMS case ~~LOA~~ and this Letter. In the event of any inconsistency between the FMS case and this Letter, the terms of this Letter will prevail.

3. The Principal confirms that no terms in its Agency Agreement with the Agent interfere with or hinder the obligations or commitments of the Principal towards the United States, as specified in the ~~LOA FMS case~~ and this Letter.
4. The Principal confirms its intent to immediately inform the United States, through DSCA, of any change in its agency relationship with the Agent, including, but not limited to, the expiration of its agency agreement with the Agent. The Agent confirms its intent to provide, through DSCA, advance notice to the United States of any such changes, and acknowledges that it shall bear any cost associated with a change to any ~~LOA FMS case or this Letter~~ that results or arises from a change in its agency relationship with the Agent.
5. The Principal confirms that under its agreement with the Agent neither the Agent nor the Principal may assign any rights or delegate any duties relating to the ~~LOA FMS case~~, without the express written consent of the other party and the United States.
6. The Principal confirms that the United States may communicate with the Principal at any time regarding the ~~LOA FMS case~~ but that the Principal prefers that the United States initially communicate with the Agent on matters relating to the ~~LOA FMS case~~.
7. The Principal ~~anticipates~~ confirms that [NSPA or OCCAR] ~~will act through the LOA when providing defense articles or services to the Principal for maintenance or support of FMS-origin defense articles, whenever and wherever feasible~~ is not permitted to take title or possession of any defense articles or services being provided through the FMS case to the Principal, even if such assumption of title or possession is temporary or for the purposes of facilitating transportation or logistics.
8. The Principal confirms that [NSPA or OCCAR] acknowledges and agrees that the ~~LOA FMS case~~ will identify the Government of [Country] as the Principal and [NSPA or OCCAR] as its Agent, in accordance with the agency relationship agreed upon between them, and acknowledges and agrees that the ~~LOA FMS case~~ will identify the Government of [Country] as liable for all commitments and obligations associated with the ~~LOA FMS case~~.

Government of [Country]

Signature

Date

The Government of [Country]

- 7) Update Figure C5.F27. Agent Sales Letter of Offer and Acceptance Note as follows and move to Appendix 6:

Chapter Update:

**Figure C5.F27. ~~Note Text Agent Sales LOA Agent Sales Letter of Offer and Acceptance~~
Note**

See Appendix 6 [Agent Sales Letter of Offer and Acceptance Note](#) for note text.

Appendix 6 Update:

Agent Sales Letter of Offer and Acceptance Note

Building Partner Capacity:	No
Foreign Military Sales:	Yes
Note Input Responsibility:	IA
Date Range of Use:	All
References:	See Section C5.8.3.5.
Note Usage Instructions for Documents:	
Mandatory for all new basic Letters of Offer and Acceptance (LOAs) for Agent Sales FMS cases, and all LOAs for Agent Sales FMS amendments and modifications.	
Note Text:	
1. “Pursuant to 22 U.S.C. 2753(a), the parties certify that the Foreign Military Sales (FMS) Purchaser(s) Customer(s) has(have) provided DSCA or the Implementing Agency (IA) with documentation establishing [Agent’s name] as its(their) Agent for purposes of this transaction, and the FMS Purchaser(s) Customer(s) further agree(s) that it(they) will abide by any terms and conditions entered into by the Agent on its(their) behalf. 2. Any defense articles or services under this Letter of Offer and Acceptance (LOA) FMS Case [XX-X-XXX] may only be provided directly to the Agent or to the Principal(s) for which they have been identified in this LOA FMS Case [XX-X-XXX]. No defense article or service identified for one Principal in this LOA FMS Case [XX-X-XXX] may be delivered or transferred to another Principal without prior USG consent. 3. [Agent’s name] further agrees that it will abide by Conditions 2.3—2.7 of the Standard Terms and Conditions while the defense articles or services provided under this LOA are temporarily under its control or possession.”	