



# U.S. Securities and Exchange Commission

July 24, 2025

## Class Deviation for Federal Acquisition Regulation Part 31 in Support of Executive Order on Restoring Common Sense to Federal Procurement (2025-012)

- 1. Purpose:** To issue a class deviation to Federal Acquisition Regulation (FAR) Part 31 for purposes of implementing the FAR Council's model deviation text to FAR Part 31.
- 2. Effective Date:** This class deviation is effective immediately and remains in effect until rescinded or incorporated into the FAR.
- 3. Expiration Date:** Expires when incorporated into the FAR or is otherwise rescinded.
- 4. Background:** On April 15, 2025, the [Executive Order \(E.O.\) 14275 on Restoring Common Sense to Federal Procurement](#) was signed. Section 2 of the E.O. establishes the policy that the FAR "should only contain provisions required by statute or essential to sound procurement, and any FAR provisions that do not advance these objectives should be removed."

The FAR is being updated to:

- Remove language that is not required by statute
- Remove duplicative or outdated language
- Clarify or provide more plain language
- Revise language for the new FAR framework
- Retain language necessary for governmentwide acquisition standards.

This project is referred to as the Revolutionary FAR Overhaul (RFO) initiative. This initiative will make the FAR more concise, understandable, and focused on core procurement requirements.

- 5. Summary of Changes.** FAR Part 31, Contract Cost Principles and Procedures, anchored in federal appropriations law, has been streamlined to provide only the essential requirements for the pricing of contracts, subcontracts, and modifications whenever cost analysis is performed.

Statutory requirements and principles retained in the RFO FAR Part 31 model deviation include, but are not limited to, the following:

- Armed Services Procurement Act of 1947, Public Law 413
- 41 U.S.C. Chapter 43 and 10 U.S.C. Chapter 273, Allowable Costs
- 31 U.S.C. Chapter 37, Subchapter III, Claims Against the United States Government
- 18 U.S.C. § 1031, Major Fraud Against the United States
- OMB Circular A-122, Cost Principles for Nonprofit Organizations
- OMB Circular A-21, Cost Principles for Educational Institutions
- OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments

Change	Description
<b>Retained</b>	<ul style="list-style-type: none"> <li>• The majority of the content is retained as it implements appropriations law.</li> <li>• Most definitions and procedures are retained to maintain uniformity across Government.</li> </ul>
<b>Removed</b>	<ul style="list-style-type: none"> <li>• Plain language edits were made throughout to enhance readability and remove redundant, unclear, or non-essential language, decreasing the word count by more than 1,300 words.</li> </ul>

This table is not an exhaustive list.

#### 6. Required Action:

- The SEC acquisition workforce shall follow the RFO Part 31 model deviation text instead of FAR Part 31 as codified at 48 CFR Chapter 1. The Council’s RFO Part 31 model deviation text is available at Acquisition.gov, under the [“FAR Overhaul” link](#), and is incorporated into this class deviation.
- Review templates and related standard operating procedures to align with this deviation and remove unnecessary processes and steps.

7. **Applicability:** This class deviation applies to all SEC procurements.

8. **Authority:** This class deviation is issued under the authority of Executive Order 14275, OMB Memo M-25-26, CFR 1.4., and RFO FAR 1.304.

9. **Point of Contact:** If you have any questions, please contact the SEC Office of Acquisitions Policy at [Acquisitions-Policy@sec.gov](mailto:Acquisitions-Policy@sec.gov).

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