**DFARS Case 2022-D001**

**Repeal of DFARS Provision**

**“Payment in Local Currency (Afghanistan)”**

**Final Rule**

**PART 232—CONTRACT FINANCING**

**\* \* \* \* \***

**SUBPART 232.72—[Reserved]~~PAYMENT IN LOCAL CURRENCY (AFGHANISTAN)~~**

**~~232.7200 Scope of subpart.~~**

~~This subpart prescribes policies and procedures concerning the payment of contracts for performance in Afghanistan.~~

**~~232.7201 Policy and procedures.~~**

~~Payment currency used for contracts performed in Afghanistan shall be dependent on the nationality of the vendor pursuant to the authority of USCENTCOM Fragmentary Orders (FRAGOs) 09-1567 and 10-143. If the contract is awarded to a host nation vendor (Afghan), the contractor will be paid in Afghani (local currency) via electronic funds transfer to a local (Afghan) banking institution. Contracts shall not be awarded to host nation vendors who do not bank locally. If awarded to other than a host nation vendor, the contract will be awarded in U.S. dollars.~~

**~~232.7202 Solicitation provision.~~**

~~Use the provision at~~ [~~252.232-7014~~](http://www.acq.osd.mil/dpap/dars/dfars/html/current/252232.htm#252.232-7014)~~, Notification of Payment in Local Currency (Afghanistan), in all solicitations, including solicitations using FAR part 12 procedures for the acquisition of commercial items, for performance in Afghanistan.~~

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**PART 252—SOLICITATION PROVISIONS AND CONTRACT CLAUSES**

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**SUBPART 252.2—TEXT OF PROVISIONS AND CONTRACT CLAUSES**

**\* \* \* \* \***

**252.232-7014 [Reserved]~~Notification of Payment in Local Currency (Afghanistan).~~**

~~As prescribed in~~ [~~232.7202~~](https://www.acq.osd.mil/dpap/dars/dfars/html/current/232_72.htm#232.7202)~~, use the following provision:~~

~~NOTIFICATION OF PAYMENT IN LOCAL CURRENCY~~

~~(AFGHANISTAN) (SEP 2014)~~

~~(a) The contract resulting from this solicitation will be paid in Afghani (local currency) if the contract is awarded to a host nation vendor (Afghan), pursuant to the authority of USCENTCOM Fragmentary Order (FRAGO) 09-1567 and FRAGO 10-143. Contract payment will be made in Afghani (local currency) via electronic funds transfer (EFT) to a local (Afghan) banking institution, unless an exception in paragraph (c) applies. Contracts shall not be awarded to host nation vendors who do not bank locally. If award is made to other than a host nation vendor, the contract will be awarded in U.S. dollars.~~

~~(b) Vendors shall submit quotations and offers in U.S. dollars. If the contract is awarded to an Afghan vendor, the quotation or offer will be converted to Afghani using a Government budget rate of~~ *~~[Insert current budget rate here.]~~* ~~Afghani per U.S. dollar.~~

~~(c) By exception, the following forms of payment are acceptable, in the following order of priority, when the local finance office determines that EFT using ITS.gov is not available:~~

~~(1) EFT using Limited Depository Account (LDA).~~

~~(2) Check from the local finance office LDA.~~

~~(3) Local currency cash payments in Afghani (must be approved in writing by the local finance office and contracting office prior to contract award). Payments in cash are restricted to contracts when—~~

~~(i) The vendor provides proof via a letter from the host nation banking institution that it is not EFT capable; and~~

~~(ii) The local finance office validates that the vendor’s banking institution is not EFT capable. Cash payments will be made in Afghani.~~

~~(End of provision)~~