

Introduction to the 2025-2026 update

Changes to this update of *Foreign Military Sales* include the following:

- § 1:2 Update of current FMS sales figures and added commentary.
- § 1:13 Added footnote noting the rescission in its entirety of NSM-18 as per Executive Order 14236, March 14, 2025
- § 1:14 Added new section on effect of changing administrations – Second Trump term and renumbered balance of sections in Chapter 1
- § 1:28 Added commentary regarding rescission of Biden NSM-18 Conventional Arms Transfer policy constraints and reinstatement of NSPM-10 from first Trump administration.
- § 3:2 Revised discussion of process for review of LOAs due to changes in SAMM C5.1.7.2.1, C5.1.7.2.2., and SAMM Table C5.T3a.
- § 3:19 Revised due to changes to SAMM C9.3.1.1. and SAMM Figure C5.F4. as per DSCA Policy Memo 24-61, Oct 22, 2024.
- § 3:27 Revised overview of discussion of FMS cases due to changes to SAMM C5.4.3. as per DSCA Policy Memo 24-08, Sept 16, 2024.
- § 3:28 Revised discussion of Defined Order Cases due to changes to SAMM C5.4.3.1., as per DSCA Policy Memo 24-08, Sept 16, 2024.
- § 3:29 Revised discussion of Blanket Order Cases due to changes to SAMM C5.4.3.2.1., et seq., as per DSCA Policy Memo 24-08, Sept 16, 2024..
- § 3:30 Revised discussion of Cooperative Logistics Supply Arrangements due to changes to SAMM C5.4.3.3., et seq., as per DSCA Policy Memo 24-08, Sept 16, 2024
- § 4:1 Added reference to SAMM C5.1.7.2.2. and revised text to reflect change to SAMM C5.1.3.1. and C5.1.3.2. as per DSCA Policy Memo 24-61, Oct 22, 2024.
- § 4:8 Revised text to include reference to revised SAMM Table C5.T3a. and C5.T3b. to reflect changes to SAMM C5.1.7.2 and C5.1.7.2.2. as per DSCA Policy Memo 24-61, Oct 22, 2024.
- § 4:14 Revised discussion of LOR negative responses to reflect changes to SAMM C5.2.2.1., C5.2.2.1.1., C5.2.2.1.2., and C5.2.2.1.3. as per DSCA Policy Memo 24-53, Jan 22, 2025.
- § 4:20 Revised discussion of LOA processing to reflect changes in SAMM C5.4.13.1.
- § 4:22 Revised discussion of LOA processing due to change to SAMM C5.4.13.1. and changed references from SAMM Table C5.T18 to C5.T20 as per DSCA Policy Memo 24-61, Oct 22, 2024.
- § 4:23 Revised discussion of Congressional Notification and review to reflect changes to SAMM C5.5.6.3., SAMM Table C5.T16., SAMM C5.5.6.4., SAMM Table C5.T17., SAMM C5.5.6.4.1 thru C5.5.6.4.5.

- § 4:27 Revised discussion of changes to LOA acceptance after countersignature to reflect changes to SAMM C5.4.15. and C5.4.15.1. thru C5.4.15.4, C5.4.2.3.2, C5.4.14.6., C6.7.2.4., and C6.7.2.5. as per DSCA Policy Memo 24-62, Sep. 13, 2024.
- § 4:29 Revised discussion of LOA amendments and modifications generally to reflect changes to SAMM C6.7.1.1., C5.4.3., SAMM Table C6.T7., Samm C5.4.3.1.1., C6.7.3.1, and C6.7.1.2., as per DSCA Policy Memo 24-08, Sept 16, 2024.
- § 4:30 Revised discussion of LOA amendments to reflect change to SAMM C6.7.2.1. and C6.7.2.3.2., as per DSCA Policy Memos 24-08, Sep 16, 2024, and 25-01, May 13, 2025.
- § 4:31 Revised discussion of LOA Modifications to reflect changes to SAMM C6.7.3.1., C6.7.4., and SAMM Table C6.T7., as per DSCA Policy Memos 24-08, Sep 16, 2024, and 25-01, May 13, 2025.
- § 4:32 Revised discussion of pen and ink changes resulting from changes to SAMM C5.4.15., C6.7.2.7., and C6.7.3.3. as per DSCA Policy Memo 24-08, Sep 16, 2024.
- § 5:11 Revised discussion of non-recurring cost charges to reflect changes in SAMM C9.4.5.5. and Appendix 8 Table AP8.T2. at para SDAF2.1.5.4., as per DSCA Policy Memo 25-23, Jun 11, 2025.
- § 5:14 Revised discussion of Termination Liability Reserve to reflect changes to SAMM C9.9.1.5.4.5.2.4.1. thru C9.9.1.5.4.5.2.4.3., C9.9.1.5.4.1.1., C9.9.1.5.4.1.2., SAMM Figure C9.F5., and SAMM Table C9.T2a., as per DSCA Policy Memo 24-86, Nov 20, 2024.
- § 5:16 Revised discussion of program management costs to reflect changes to SAMM C9.3.6. and C9.4.2.3.
- § 5:21 Revised discussion of waiver of non-recurring cost surcharge to add discussion of partial waiver resulting from changes to SAMM C9.6.3.2. as per DSCA Policy Memo 25-23, Jun 11, 2025.
- § 6:1 Revised discussion of Terms of Sale to include revised wording of FMS Credit and addition of new Term of Sale “FMF Guarantee” to incorporate changes to SAMM Table C9.T11 and revised footnote to reflect deletion of SAMM C9.7.2.9.2.2.1.1., as per DSCA Policy Memos 24-15, Aug 22, 2024, and 24-86, Nov 20, 2024.
- § 6:2 Revised discussion of Regular Payment Schedules to include initial deposit coverage of non-recurring cost payment and outlay and to include discussion of “Cash with Acceptance – Balance as Billed” and CLSSA FMSO I in accordance with changes to SAMM C9.9.1.5.1. and SAMM Table C9.T17., as per DSCA Policy Memos 25-23, Jun 11, 2025, and 25-36, Jul 8, 2025.
- § 6:43 Revised discussion of general requirements for follow-on support to include discussion of follow-on support LOAs to reflect changes to SAMM C6.7.2.2. as per DSCA Policy Memo 24-08, Sep 16, 2024.
- § 7:7 Changed Title of Section to reflect historical background.
- § 7:8 Added completely new Section on Guaranteed and Direct loans to incorporate new current policy as per DSCA Policy Memo 24-15, Aug 22, 2024, and the attachment thereto.

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- § 8:10 Revised discussion of general implementation of FMF credits to reflect change in DSCA and DFAS offices and rescission of prior policy prohibiting comingling of FMF credits and national funds by the deletion of previous SAMM C9.7.2.9.2.2.1. and in accordance with change to SAMM C9.8.2.2., as per DSCA Policy Memo 24-15, Aug 22, 2024.
- § 10:9 Revised discussion of exports by removal of specific reference to the Russian Federation in accordance with the revised language of 22 CFR § 120.54(a)(v) and Note 1 to 22 CFR § 120.54(a)(5)(iv).
- § 10:14 Revised discussion of ITAR proscribed destinations as per changes to ITAR 22 CFR § 126.1 (addition of Nicaragua to 126.1(d)(2) and Table 2 to 126.1(d)(2) as well as multiple and extensive revisions to the exceptions to the policy of license denial for Central African Republic, Democratic Republic of the Congo, Haiti, Iraq, Libya, Russia, Somalia, Sudan, and South Sudan as per changes to multiple subparagraphs of 22 CFR § 126.1.
- § 10:16 Revised discussion of U. S. policy implementation by DoS to incorporate changes to 22 CFR § 126.18(a)(1) – (9).
- § 10:17 Revised discussion on registration to reflect revised registration fees and enhanced restrictions as per changes to 22 CFR § 122.3, 129.3, and 129.8.
- § 10:33 Revised discussion on application for license to export SME and classified articles and their related exemptions as per 22 CFR § 123.10(a) and 123.10(c).
- § 10:53 Revised discussion of licensing requirements for classified technical data as per most current revisions to 22 CFR Parts 124, 125, and 126 through and including changes published at 89 Fed. Reg.67290, Aug 20, 2024.
- § 10:83 Updated dollar amounts of maximum civil penalties to reflect changes to 22 C.F.R. § 127.10 as per 90 Fed. Reg. 1868, January 10, 2025.
- § 10:83 Added discussion of additional examples of Department of State (DoS) ITAR export control enforcement actions.
- § 12:29 Added discussion of additional example of Securities and Exchange Commission (SEC) Foreign Corrupt Practices Act (FCPA) enforcement actions.
- § 12:30 Added discussion of additional examples of Securities and Exchange Commission (SEC) enforcement of books and records and internal accounting control requirements.
- § 12:31 Added discussion of Presidential Executive Order pausing FCPA enforcement and DoJ memorandum establishing new guidelines for prosecution of FCPA violations.
- § 12:32 Added discussion of additional example of Department of Justice (DoJ) FCPA enforcement actions.

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