52.209-10 Prohibition on Contracting with Inverted Domestic Corporations.

As prescribed in 9.108-5(b), insert the following clause:

Prohibition on *Contracting* with *Inverted Domestic Corporations* (Nov 2015)

(a) *Definitions*. As used in this clause-

Inverted domestic corporation means a foreign incorporated entity that meets the definition of an inverted domestic corporation under 6 U.S.C. 395(b), applied in accordance with the rules and definitions of 6 U.S.C. 395(c).

Subsidiary means an entity in which more than 50 percent of the entity is owned-

(1) Directly by a parent corporation; or

(2) Through another *subsidiary* of a parent corporation.

(b) If the contractor reorganizes as an *inverted domestic corporation* or becomes a *subsidiary* of an *inverted domestic corporation* at any time during the period of performance of this contract, the Government *may* be prohibited from paying for Contractor activities performed after the date when it becomes an *inverted domestic corporation* or *subsidiary*. The Government *may* seek any available remedies in the event the Contractor fails to perform in accordance with the terms and conditions of the contract as a result of Government action under this clause.

(c) Exceptions to this prohibition are located at 9.108-2.

(d) In the event the Contractor becomes either an *inverted domestic corporation*, or a *subsidiary* of an *inverted domestic corporation* during contract performance, the Contractor *shall* give written notice to the *Contracting Officer* within five business days from the date of the inversion event.

(End of clause)

Parent topic: 52.209 [Reserved]