

37.113-1 Waiver of cost allowability limitations.

(a) The head of the agency may waive the [31.205-6\(g\)\(6\)](#) cost allowability limitations on severance payments to foreign nationals for contracts that-

(1) Provide significant support services for-

(i) Members of the armed forces stationed or deployed outside the United States, or

(ii) Employees of an executive agency posted outside the United States; and

(2) Will be performed in whole or in part outside the United States.

(b) Waivers can be granted only before contract award.

(c) Waivers cannot be granted for-

(1) Military banking contracts, which are covered by [10 U.S.C. 3744\(d\)](#); or

(2) Severance payments made by a contractor to a foreign national employed by the contractor under a DoD service contract in the Republic of the Philippines, if the discontinuation of the foreign national is the result of the termination of basing rights of the United States military in the Republic of the Philippines (section 1351(b) of Public Law 102-484, [10 U.S.C. 1592](#), note).

Parent topic: [37.113 Severance payments to foreign nationals.](#)