

DCSA Approves Revised SF-328 to Improve Foreign Interest Disclosures

May 27, 2025

On May 1, 2025, the Defense Counterintelligence and Security Agency (“DCSA”) [approved](#) a revised version of Standard Form 328 (“SF-328”), *Certificate Pertaining to Foreign Interests*. SF-328 is a core element of DCSA’s Foreign Ownership, Control, or Influence (“FOCI”) review process, often used by contractors and academic institutions applying for or maintaining a facility security clearance (“FCL”). The updated form introduces more extensive disclosure requirements and clearer instructions designed to reduce review delays and improve consistency in submissions. While these enhancements aim to streamline the review process, they may also alter or increase the initial compliance burden for submitters.

The new version is mandatory for all relevant filings submitted **on or after May 12, 2025**, and is expected to have immediate implications for entities preparing new FCL applications or negotiating FOCI mitigation agreements. Additionally, according to a [Department of Defense Instruction](#), SF-328 will be used to implement Section 847 of the FY2020 National Defense Authorization Act, which mandates FOCI reviews for certain unclassified contracts valued above \$5 million. Although Section 847 has not been implemented yet, when it is, organizations not previously subject to FOCI oversight may now fall within its scope and be required to complete SF-328s.

Key Enhancements. The revised SF-328 features a more structured and transparent approach to FOCI disclosures. Questions have been reworded to prompt clearer, more relevant responses, and embedded instructions now guide submitters on the specific information required. The form also introduces standardized definitions aligned with national security policy, helping to reduce interpretive discrepancies between industry and government reviewers. A notable inclusion with the revised form is the “Statement of Full Disclosure of Foreign Affiliations,” which ensures that foreign employment ties are identified and disclosed at the outset. By clarifying expectations up front, DCSA seeks to minimize delays and improve submission quality across the board.

Expanded Disclosure Requirements. Reflecting DCSA’s evolving national security priorities, the revised SF-328 expands disclosure requirements across several key areas. It places heightened scrutiny on the ownership and governance of investment funds

and joint ventures; foreign research, development, and outsourcing relationships; foreign debt obligations and financial support; and revenue streams from foreign sources, including gifts, endowments, and grants. Importantly, the threshold for reporting foreign-sourced revenue has been lowered from 30% to 15%, significantly broadening the scope of required disclosures.

Applicability and Filing Requirements. The revised SF-328 is required for all new FCL applications, change condition packages, FCL upgrades, and newly negotiated or renewed FOCI mitigation agreements submitted **on or after May 12, 2025**. DCSA has clarified that existing SF-328 filings do not need to be resubmitted solely because of the update. However, any new submissions or material changes made after the effective date must use the revised form.

Next Steps. Entities subject to FOCI requirements, including private equity sponsors whose funds have interests in government contractor portfolio companies, should proactively assess how the revised SF-328 alters, or will alter upon implementation of Section 847, their disclosure obligations. The expanded form will demand a more granular understanding of foreign ownership, governance structures, and funding arrangements—especially in complex or globalized operations. Facility Security Officers, legal departments and compliance teams should begin coordinating now to identify potential disclosure triggers and establish clear internal workflows for gathering the required information. For many organizations, this may also involve engaging external stakeholders—such as investors, affiliates or service providers—to ensure accuracy and completeness. With the new form taking effect for filings submitted **on or after May 12**, early alignment across business functions will be critical to avoid delays and ensure a smooth FCL review process.



Rick Sofield
Partner, Washington, D.C.
+ 1 202 383 8054
rcsofield@debevoise.com



Jordan Corrente Beck
Associate, New York
+ 1 212 909 6768
jcorrentebeck@debevoise.com



Emily Kennedy
Associate, Washington, D.C.
+ 1 202 383 8112
eakennedy@debevoise.com



John M. Satira
Associate, Washington, D.C.
+ 1 202 383 8108
jmsatira@debevoise.com