



# Industry Security Notice

Number 2024/05 Issued 15/04/2024

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## **Subcontracting or Collaborating on Classified UK MOD Programmes**

### **Introduction**

1. The purpose of this Industry Security Notice (ISN) is to inform Defence Suppliers of the F1686 Security Procedure for subcontracting or collaborating on classified MOD Programme work. This ISN replaces ISN 2023/06. The procedure mandated by the previous ISN has not changed but the wording of this notice has been updated based on feedback from stakeholders.

### **F1686 Security Procedure**

2. The F1686 Security Procedure is the mechanism by which Defence Suppliers can request permission to subcontract or collaborate with Third-Party Defence Suppliers on classified work in support of UK MOD programmes.

3. For the purpose of this ISN, a Third-Party Defence Supplier is defined as a company based in the UK or overseas that has no direct pre-contractual or contractual relationship with the MOD for the specified MOD programme.

4. For the purpose of this ISN the term “overseas” includes any British Overseas Territories and any country which is not part of the UK.

5. For the purposes of this ISN, collaboration is defined as those activities which require a Defence Supplier to release classified material to a Third-Party Defence Supplier in support of a MOD programme where no formal subcontract exists between the releasing Defence Supplier and the recipient Third Party Defence Supplier and includes teaming and joint ventures.

6. The F1686 has two functions, it ensures that the MOD Delivery/Project Team is content for the work to go ahead, and that the work will be carried out in the appropriate security environment for its classification. The application form is included at [Annex A](#).
7. F1686 approval does not constitute export licence approval which will be subject to licensing requirements at the time of export.
8. Before subcontracting or collaborating on MOD programme work involving classified material, either within the UK or overseas, the MOD Delivery/Project Team must always be consulted as special procedures may apply.
9. F1686 approval is required before subcontracting or collaborating with a Third-Party Defence Supplier on MOD programme work involving classified material, as follows:
  - a. If the Third-Party Defence Supplier is located in the UK on work classified SECRET or above (unless the Third-Party Defence Supplier has a FSC);
  - b. If the Third-Party Defence Supplier is located overseas on OFFICIAL-SENSITIVE or above elements of work;
10. F1686 approval consists of a returned signed F1686 application form from the MOD Delivery/Project Team. It may be supplemented with a letter from the ISAC and/or MOD Delivery/Project Team providing further details, which may include limitations/provisos to the approval, references to any specific country security clauses including reference to any bilateral Security Agreement or Arrangement and any applicable security conditions.
11. The F1686 procedure can be initiated by potential Defence Suppliers prior to contract award, e.g., at the ITT stage, where a MOD Delivery/Project Team has been identified, to enable consideration of a Defence Supplier's joint ventures, teaming arrangements or international counterparts.
12. Once the Defence Supplier has obtained F1686 approval they must formally notify the Third-Party Defence Supplier's Security Controller/Manager of:
  - a. The application of the Official Secrets Act. (UK Third-Party Defence Suppliers Only);
  - b. The application of DEFCON 659A if appropriate, or other special contractual requirements;
  - c. The classified material where applicable as covered in a Security Aspects Letter;
13. On completion of the work the Defence Supplier must inform the MOD

Delivery/Project Team and, unless otherwise agreed with the MOD, all classified material passed to the Third-Party Defence Supplier must be returned to the Defence Supplier for disposal. This is particularly important in the case of short-term subcontracts, for example, reprographics services, where failure to account for classified material could lead to compromise.

## **Subcontracting or Collaborating on MOD Programme Work Classified OFFICIAL, Including OFFICIAL- SENSITIVE with Third-Party Defence Suppliers Located in the UK**

14. A Defence Supplier may subcontract to or collaborate with Third-Party Defence Suppliers within the United Kingdom up to OFFICIAL-SENSITIVE without F1686 approval, but the MOD Delivery/Project Team must be consulted.

15. The Defence Supplier must flow down any applicable contractual security conditions to the Third-Party Defence Supplier.

## **Subcontracting or Collaborating on MOD Programme Work Classified SECRET or Above with Third-Party Defence Suppliers Located in the UK**

16. Before a Defence Supplier enters preliminary discussions, collaborates with, or place a subcontract with a Third-Party Defence Supplier for work involving material classified SECRET or above the MOD Delivery/Project Team must be consulted.

17. Where the work involves classified material at SECRET or above, the Defence Supplier must ensure that the Third-Party Defence Supplier's UK facility holds FSC status at the appropriate level before any material classified SECRET or above is provided to the Third-Party Defence Supplier. SECRET or above material must not be released if FSC status at the appropriate level is not held, even if the Third-Party Defence Supplier has Provisional FSC status. The Defence Supplier must confirm the prospective Third-Party Defence Supplier's FSC status with the ISAC and confirm with the prospective Third-Party Defence Supplier's Facility/Personnel Security Controller that the employees involved hold appropriate Security Clearances. The contact details for the ISAC are included below:

**Email:** [ISAC-Group@mod.gov.uk](mailto:ISAC-Group@mod.gov.uk) or **Tel:** +44 (0)3067 934378)

18. F1686 approval is not required to subcontract to or collaborate with a UK based Third-Party Defence Supplier holding FSC status, but the MOD Delivery/Project Team and the ISAC must be informed of the intended activity. The Defence Supplier shall flow down any applicable contractual security conditions to the Third-Party Defence Supplier and provide a SAL defining the classified aspects they will have access to.

19. It may be necessary to enter preliminary discussions with a Third-Party Defence Supplier based in the UK that does not have FSC status. These discussions may take place without further consulting the MOD Delivery/Project Team providing that:

- a. There are no contractual conditions precluding such action;
- b. No information classified SECRET or above is discussed;
- c. No commitment is made at this stage;
- d. It is understood by the Third-Party Defence Supplier that discussions may be terminated without explanation;

20. Once the Third-Party Defence Suppliers competency to undertake the work has been confirmed, an F1686 application must be sent to the MOD Delivery/Project Team and copied to the ISAC, to initiate appropriate FSC procedures and obtain formal approval from the MOD Delivery/Project Team.

21. It is important that the Defence Supplier does not extend preliminary discussions until approval to subcontract or collaborate has been received from the MOD Delivery/Project Team. Where it would be essential to release SECRET or above classified material before the competency of the prospective Third-Party Defence Supplier could be assessed through tender, the Defence Supplier must consult the MOD Delivery/Project Team and the ISAC.

22. The Defence Supplier must arrange for appropriate vetting checks or BPSS, as appropriate, for a minimum number of the prospective Third-Party Defence Supplier's employees, normally two, with whom the work will be discussed. When known, the results of the requests for clearance must be notified to the MOD Delivery/Project Team; no further requests for the clearance of the prospective Third-Party Defence Supplier's employees should be made until F1686 approval has been received from the MOD Delivery/Project Team.

23. The Defence Supplier must immediately consult the MOD Delivery/Project Team and ISAC if clearances for key personnel are refused as this may indicate the unsuitability of the prospective Third-Party Defence Supplier to work on classified material and cause any F1686 approval to be revisited.

## **Subcontracting or Collaborating on MOD Programme Work Classified OFFICIAL, Including OFFICIAL-SENSITIVE Involving Third-Party Defence Suppliers Located Overseas**

24. A UK Defence Supplier may subcontract to or collaborate with Third-Party Defence Suppliers outside the UK on MOD Programme work involving elements below OFFICIAL-SENSITIVE without F1686 approval, but the MOD Delivery/Project Team must be consulted.

25. A UK Defence Supplier may only subcontract or collaborate with a Third-Party Defence Supplier outside the UK on MOD Programme work involving OFFICIAL-SENSITIVE elements if they have obtained F1686 approval from the MOD Delivery/Project Team. Where approval has been granted the UK Defence Supplier must provide the Third-Party Defence Supplier with a copy of the OFFICIAL and OFFICIAL-SENSITIVE Security Conditions. Where approval relates to work involving OFFICIAL-SENSITIVE elements a SAL defining the classified aspects must also be provided to the Third-Party Defence Supplier.

26. Overseas Defence Suppliers may subcontract or collaborate with Third-Party Defence Suppliers within their own country or the United Kingdom on MOD Programme work involving elements up to OFFICIAL-SENSITIVE without F1686 approval, but the MOD Delivery/Project Team must be informed. F1686 approval must be obtained from the MOD Delivery/Project Team should the Overseas Defence Supplier wish to subcontract or collaborate with a Third-Party Defence Supplier located in another country on OFFICIAL-SENSITIVE elements of work.

27. In cases where an Overseas Defence Supplier has subcontracted MOD Programme work at OFFICIAL-SENSITIVE to a Third-Party UK Defence Supplier, the MOD Delivery/Project Team may need to issue a letter to the Third-Party UK Defence Supplier for export licence compliance in lieu of F1686 approval.

28. **Special case:** F1686 applications must be copied to the ISAC when requesting approval for subcontract to or collaborate at OFFICIAL-SENSITIVE with Third-Party Defence Suppliers located in the following countries as they require an FSC to safeguard OFFICIAL-SENSITIVE classified material:

- a. Greece.
- b. Hungary.
- c. Israel.

- d. Netherlands.
- e. Slovak Republic.
- f. Sweden.

## **Subcontracting or Collaborating on MOD Programme Work Classified SECRET or Above Involving Third-Party Defence Suppliers Located Overseas**

29. When it is considered necessary to subcontract or collaborate on work classified SECRET or above with an Overseas Third-Party Defence Supplier, the Defence Supplier must conduct all preliminary discussions as they would for a UK Third-Party Defence Supplier, including prior consultation of the MOD Delivery/Project Team.

30. If there is a requirement to release any material graded OFFICIAL-SENSITIVE, during preliminary discussions, then the process for subcontracting or collaborating overseas up to OFFICIAL-SENSITIVE must be followed, with the F1686 application noting that this request is in connection with eventual work at SECRET.

31. If there is a requirement to release SECRET or above material during preliminary discussions, then the MOD Delivery/Project Team must first be consulted. If they agree in principle, then a full F1686 application must be sent to the MOD Delivery/Project Team and copied to the ISAC. SECRET material must not be provided until a valid Facility Security Clearance is confirmed to be in place.

32. Once the preliminary discussions have established the competency of the Overseas Third-Party Defence Supplier, then a further F1686 application is required to provide formal approval for the work to go ahead. If there has already been an F1686 approval for the release of material at the classification level of the work during the preliminary discussions, this F1686 shall be sent to the MOD Delivery/Project Team. However, if preliminary discussions were at a lower level of classification than the work, this F1686 shall be sent to MOD Delivery Project Team and copied to the ISAC.

33. Approval to release material classified SECRET and above will only be granted if the overseas site has an extant Facility Security Clearance.

34. Where F1686 approval is provided, standard conditions of the contract relating to security aspects will be provided by the ISAC for inclusion in an applicable subcontract since it would not be appropriate to use the Official Secrets Act or National Security Act. Two copies of the ITT or subcontract and two copies of the SAL must be sent to the MOD Delivery/Project Team and ISAC by the Defence Supplier.

35. The ISAC will arrange for the National/Designated Security Authority of the country where the Third-Party Defence Supplier is located to oversee the security aspects of the work to be undertaken.

## **Further Subcontracting**

36. There may be a need for a Third-Party Defence Supplier to further subcontract work to other suppliers, including those located in the UK. In this scenario, the Defence Supplier contracted to MOD must ensure that the appropriate security procedures are followed. When applicable, the Defence Supplier contracted to MOD must ensure the Third-Party Defence Supplier submits an F1686 application via them to the MOD Delivery/Project Team and ISAC. The outcome of any application including any security conditions will be promulgated to the Third-Party Defence Supplier via the Defence Supplier contracted to MOD.

## **Nominated Third-Party Defence Suppliers**

37. MOD contracts for defence equipment, for example warships, missile systems etc, may propose the use of Nominated Third-Party Defence Suppliers for certain aspects of the work. Where disclosure of classified material is likely to be involved, the Third-Party Defence Supplier is likely to already hold a FSC. Any F1686 applications to subcontract submitted to MOD must indicate if approval is required for a Nominated Third-Party Defence Supplier.

## **UK Third-Party Defence Suppliers contracted to Overseas Defence Suppliers on MOD Programme Work**

38. Where applicable, it is acceptable for a UK Third Party Defence Supplier that has been subcontracted by an Overseas Defence Supplier on MOD programme work to obtain F1686 approval from the MOD Delivery/Project Team in order to comply with the conditions and requirements of an Open General Export Licence (OGEL).

## **UK MOD Collaborative Projects and Programmes Involving Foreign Governments or International Defence Organisations.**

39. Defence Suppliers may need to supply classified material graded OFFICIAL-

SENSITIVE or above to Foreign Governments or International Defence Organisations in support of collaborative projects or programmes where UK MOD is the customer. In this scenario the F1686 application form must not be used but the MOD Delivery/Project Team shall provide written authorisation to supply the classified material to the Foreign Government or International Defence Organisation. MOD Authorisation shall define the scope of classified material that can be supplied. Authorisation from the MOD Delivery/Project Team shall state that “For export control purposes this written authorisation constitutes F1686 approval”.

## **Validity / Expiry Date**

40. This ISN will expire when superseded or withdrawn.

## **MOD Point of Contact Details**

41. The point of contact in respect of this ISN is:

Industry Security Assurance Centre  
Ministry of Defence  
email: [ISAC-Group@mod.gov.uk](mailto:ISAC-Group@mod.gov.uk)

## **Annexes:**

A. F1686 Application Form

**APPLICATION TO SUBCONTRACT<sup>1</sup> OR COLLABORATE WITH AN OVERSEAS<sup>2</sup>  
THIRD-PARTY SUPPLIER ON WORK INVOLVING OFFICIAL-SENSITIVE AND ABOVE  
CLASSIFIED MATERIAL (ALSO KNOWN AS F1686)**

**Request:**

1	From: full name and address of supplier submitting application  Telephone no: _____ Email: _____
2	Full name and address of selected overseas third-party supplier where work will be undertaken:
3	Maximum level of classified material to be released to or produced by the overseas third-party supplier:
4	Description of work to be carried out:
5	Name of Project/Reference Number of prime contract:
6	Full name of point of contact and address of UK MOD Delivery/Project Team/Contracting Authority:  Telephone no: _____ Email: _____

Name: \_\_\_\_\_ Position in company \_\_\_\_\_

Signature: ..... Date: \_\_\_\_\_

<sup>1</sup> For subcontracts/collaboration with UK suppliers on work requiring an FSC to be initiated complete Annex A only

<sup>2</sup> For subcontracts/collaboration with an overseas supplier involving the release of OFFICIAL-SENSITIVE or above material complete and submit 1<sup>st</sup> and 2<sup>nd</sup> page only.

**Response from UK MOD Delivery/Project Team or Contracting Authority:**

Approval is / is not granted<sup>3</sup>. Further information is attached.<sup>4</sup>

Name: \_\_\_\_\_ Position/Title: \_\_\_\_\_

Signature: ..... Date: \_\_\_\_\_

Delivery/Project Team/Contracting Authority: \_\_\_\_\_

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<sup>3</sup> Delete as appropriate

<sup>4</sup> Delete if not applicable

**APPLICATION BY A UK FSC SUPPLIER FOR APPROVAL TO SUBCONTRACT OR  
COLLABORATE WITH A UK THIRD-PARTY SUPPLIER ON WORK CLASSIFIED  
SECRET AND ABOVE  
(ALSO KNOWN AS F1686)**

**PART 1**

A	<p>From: full name and address of UK FSC contractor submitting application</p>          <p>Telephone no:                      Email:</p>
B	<p>Full name and address of selected UK Third-Party Supplier</p>          
C	<p>Full name and address of selected manufacturer (if different from B)</p>          
D	<p>Registration no. of the company &amp; VAT no.:</p> <p>Reg No:</p> <p>VAT No:</p>
E	<p>Names under which the company has previously traded (if applicable):</p>          
F	<p>Full name, address, registration and VAT no. of parent and/or holding company:</p>          

G	Full name, address, registration and VAT no. of each company holding more than one fifth of the paid up shares, preference shares or loan capital.						
H	Date of formation of business and brief history:						
I	<p>Representative(s) (maximum of two) of Third-Party Supplier with whom proposed work has been/will be discussed:</p> <table border="0"> <tr> <td>Full name:</td> <td>Full name:</td> </tr> <tr> <td>AA number (if known):</td> <td>AA number (if known):</td> </tr> <tr> <td>Position in company:</td> <td>Position in company:</td> </tr> </table>	Full name:	Full name:	AA number (if known):	AA number (if known):	Position in company:	Position in company:
Full name:	Full name:						
AA number (if known):	AA number (if known):						
Position in company:	Position in company:						

**PART 2**

J	Please provide the details of Chairperson, Deputy Chairperson, all Directors (indicating specifically those who hold executive appointments), and Company Secretary. Information should also be provided for individuals holding more than one fifth of the paid up shares, preference shares or loan capital.
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1. SURNAME a) Now				
(b) Surname at birth if different from (a)				
(c) Full Forenames				
(d) All other names used				
3. PLACE OF BIRTH Including county, state and country				
4. DATE OF BIRTH				
5. NATIONALITY (a) Now				
(b) At any time if different from (a)				
(c) If naturalised state number & date of certificate				
6. ADDRESS (a) Full permanent address				

(b) Any other addresses in last 5 years				
7. POSITION IN COMPANY				

**PART 3**

K	Does the information relate to:	1	UK government contract?	<input type="checkbox"/>	Complete L to O
		2	NATO or other contract?	<input type="checkbox"/>	Complete L to P
		3	Collaboration discussions	<input type="checkbox"/>	Complete L to P
L	Level of release of classified material:				
M	Name Project/Reference of prime contract:				
N	Description of work to be carried out:				
O	Full name of point of contact and address of UK MOD Delivery/Project Team:				
	Telephone no:		Email:		

P	Name of NATO/other contracting authority:		
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Name of Security Controller: .....

Signature: ..... Date: .....

**Response from UK MOD Delivery/Project Team or Contracting Authority:**

Approval is / is not granted. Further information is attached.

Name: ..... Position/Title:  
 Signature: ..... Date:  
 Delivery/Project Team: