



Industry Security Notice

Number 2023/06

Subcontracting or Collaborating on Classified UK MOD Programmes

Introduction

1. The purpose of this Industrial Security Notice (ISN) is to inform Contractors of the F1686 Security Procedure for subcontracting or collaborating on classified MOD Programme work. This ISN replaces ISN 2022/08. The content now includes an additional paragraph (para 25) which covers the release of classified information and/or assets by industry to Foreign Governments or International Defence Organisations in support of MOD Collaborative Projects/Programmes.

F1686 Security Procedure

2. The F1686 Security Procedure is the mechanism by which UK Contractors can request permission to subcontract or collaborate with other Contractors on classified work in support of UK MOD programmes. The F1686 has two functions, it ensures that the MOD Contracting Authority 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](#). F1686 approval does not constitute export licence approval which will be subject to licensing requirements at the time of export.

3. For the purposes of this guidance, collaboration is defined as those activities which require a Contractor already undertaking MOD programme work to release classified assets to a recipient Sub-Contractor in support of a MOD programme where no formal subcontract exists between the releasing Contractor and the recipient Contractor, including teaming and joint venture activities.

4. Before subcontracting or collaborating on MOD programme work involving classified

assets, either within the UK or overseas, the MOD Contracting Authority shall always be consulted as special procedures may apply. For the purpose of this guidance the term “overseas” includes any British Overseas Territories and any country which is not part of the UK.

5. F1686 approval is required before subcontracting or collaborating with a Sub-Contractor for MOD programme work involving classified assets, as follows:

- a. If the Sub-Contractor is located in the UK on work classified SECRET or above (unless the Sub-Contractor has a FSC);
- b. If the Sub-Contractor is located overseas on OFFICIAL-SENSITIVE or above elements of work;

6. An F1686 approval consists of a returned signed F1686 application form from the MOD Contracting Authority. It may be supplemented with a letter 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.

7. Once the Sub-Contractor's competency to undertake the work and the security aspects have been confirmed, and the Contractor has authority to continue, the Subcontractor's Facility Security Controller shall be formally notified of:

- a. The application of the Official Secrets Act. (UK Companies Only);
- b. The application of DEFCON 659A if appropriate, or other special contractual requirements;
- c. The classified assets where applicable as covered in a Security Aspects Letter;

8. On completion of the work the Contractor should inform the MOD Contracting Authority and, unless otherwise agreed with the MOD Contracting Authority, all assets passed to the Sub-Contractor shall be returned to the Contractor for disposal. This is particularly important in the case of short-term subcontracts, for example, reprographics services, where failure to account for assets could lead to compromise.

Subcontracting or Collaborating on MOD Programme Work Classified OFFICIAL, Including OFFICIAL- SENSITIVE with Sub-Contractors Located in the UK

9. A Contractor may subcontract to or collaborate with Sub-Contractors within the United Kingdom without F1686 approval, but the MOD Contracting Authority shall be informed. The Contractor shall flow down any applicable contractual security conditions to the Sub-Contractors.

Subcontracting or Collaborating on MOD Programme Work Classified SECRET or Above with Sub- Contractors Located in the UK

10. Before entering preliminary discussions, collaborating or placing subcontracts for work involving assets classified SECRET or above, the MOD Contracting Authority shall be consulted. Where the work involves classified assets at SECRET or above, the Contractor shall ensure that the UK facility holds a FSC before any assets classified SECRET or above are provided to the prospective Sub-Contractor. SECRET or above assets shall not be released if a FSC is not held. The Contractor shall confirm the prospective UK Contractor's FSC with the Industry Security Assurance Centre (ISAC) and confirm with the prospective Contractor's Facility Security Controller or 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 or **Tel:** +44 (0)3067 934378)

11. F1686 approval is not required to subcontract to or collaborate with a UK Sub-Contractor holding a FSC, but the MOD Contracting Authority and ISAC shall be informed of the intended activity. The Contractor shall flow down any applicable contractual security conditions to the UK Sub-Contractor and provide a SAL defining the classified aspects they will have access to.

12. It may be necessary to enter preliminary discussions with a UK Sub-Contractor that does not hold a FSC. These discussions may take place without further consulting the MOD Contracting Authority 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 Sub-Contractor that discussions may be terminated without explanation;

13. Once the prospective Sub-Contractor's competency to undertake the work has been confirmed, an F1686 application shall be sent to the ISAC and copied to the MOD Contracting Authority, to initiate appropriate FSC procedures and obtain formal approval from the MOD Contracting Authority. It is important not to extend preliminary discussions until approval to subcontract or collaborate has been received from the MOD Contracting Authority. Where it would be essential to release SECRET or above classified assets before the competency of the prospective Contractor could be assessed through tender, the Contractor shall consult the MOD Contracting Authority and the ISAC.

14. The Contractor shall arrange for appropriate vetting checks or BPSS, as appropriate, for a minimum number of the prospective Sub-Contractor's employees, normally two, with whom the work will be discussed. When known, the results of the requests for security clearance should be notified to the MOD Contracting Authority; no further requests for the clearance of the prospective Sub-Contractor's employees should be made until F1686 approval has been received from the MOD Contracting Authority. The MOD Contracting Authority and ISAC shall be consulted immediately if security clearance for key personnel is refused as this may indicate the unsuitability of the prospective Sub-Contractor to work with classified assets and cause any F1686 approval to be revisited.

Subcontracting or Collaborating on MOD Programme Work Classified OFFICIAL, Including OFFICIAL-SENSITIVE Involving Sub-Contractors Located Overseas

15. A UK Contractor may only subcontract or collaborate with a Sub-Contractor outside the UK on MOD Programme work involving OFFICIAL-SENSITIVE elements of work if they have obtained F1686 approval from the MOD Contracting Authority. Where approval has been granted the UK Contractor shall provide the overseas Sub-Contractor with a copy of the OFFICIAL and OFFICIAL-SENSITIVE Security Conditions. Where approval relates to working involving OFFICIAL-SENSITIVE elements a SAL defining the classified aspects shall also be provided to the overseas Sub-Contractor.

16. An overseas Contractor may subcontract to or collaborate with Sub-Contractors

within its own country or Sub-Contractors located in the United Kingdom without F1686 approval, but the MOD Contracting Authority shall be informed. F1686 approval shall be obtained from the MOD Contracting Authority should the Contractor wish to subcontract OFFICIAL-SENSITIVE elements of the Contract to a Sub-Contractor facility located in another (third party) country.

17. **Special case:** Where subcontracting to or collaborating with Sub-Contractors located in: Greece, Hungary, Israel, the Netherlands, the Slovak Republic and Sweden at OFFICIAL-SENSITIVE, the F1686 applications shall be sent to the ISAC and copied to the MOD Contracting Authority to request approval due to these countries requiring an FSC at OFFICIAL-SENSITIVE.

Subcontracting or Collaborating on MOD Programme Work Classified SECRET or Above Involving Sub- Contractors Located Overseas

18. When it is considered necessary to subcontract or collaborate on work classified SECRET or above with a Sub-Contractor outside the UK, the Contractor shall conduct all preliminary discussions as they would for a UK Sub-Contractor, including prior consultation of the MOD Contracting Authority. If there is a requirement to release any assets graded OFFICIAL-SENSITIVE, during preliminary discussions, then the process for subcontracting or collaborating overseas at up to OFFICIAL-SENSITIVE shall be followed, with the F1686 application noting that this request is in connection with eventual work at SECRET.

19. If there is a requirement to release SECRET or above assets during preliminary discussions, then the MOD Contracting Authority shall first be consulted. If they agree in principle, then a full F1686 application shall be sent to the ISAC and copied to the MOD Contracting Authority. No SECRET material shall be provided until a valid Facility Security Clearance is in place.

20. Once the preliminary discussions have established the competency of the overseas Sub-Contractor, 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 Contracting Authority. However, if preliminary discussions were at a lower level of classification than the work, this F1686 shall be sent to the ISAC and copied to the MOD Contracting Authority.

21. Approval to release assets classified SECRET and above will only be granted if the overseas site has an extant Facility Security Clearance. Where approval is given, standard

conditions of the contract relating to security aspects will be provided for inclusion in the subcontract since it would not be appropriate to use the Official Secrets Act. Two copies of the ITT or subcontract and two copies of the SAL shall be sent to the MOD Contracting Authority and ISAC. The MOD Contracting Authority and ISAC shall then arrange for the National/Designated Security Authority of the country concerned to oversee the security aspects of the work to be undertaken on the contract.

Further Subcontracting

22. There may be a need for a Sub-Contractor to further subcontract work to other Contractors. In this scenario, the Prime Contractor shall ensure the Sub-Contractor submits an F1686 application via them to the MOD Contracting Authority and ISAC. The outcome of any application including any security conditions will be promulgated to the Sub-Contractor and Prospective Sub-Contractor via the Prime Contractor.

Nominated Defence Sub-Contractors

23. MOD contracts for defence equipment, for example warships, missile systems etc, may propose the use of Nominated Sub-Contractors for certain aspects of the work. Where disclosure of classified assets is likely to be involved, the Sub-Contractor is likely to already hold a FSC. Any F1686 applications to subcontract submitted to ISAC shall indicate if approval is required for a Nominated Sub-Contractor.

UK Sub-Contractors to Overseas Contractor on MOD Programme Work

24. Where applicable, it is acceptable for a UK Contractor that has been subcontracted by an overseas Contractor on MOD programme work to obtain an F1686 approval from the MOD Contracting Authority 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.

25. Defence Contractors may need to supply classified information and/or assets 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 shall not be used but the MOD Sponsor/Contracting Authority shall provide written authorisation to supply the classified Information and/or assets with the Foreign Government or International Defence Organisation. MOD Authorisation shall define the scope of classified information and/or assets that can be supplied. Authorisation from the MOD Sponsor/Contracting authority shall state that “For export control purposes this written authorisation constitutes F1686 approval”.

Validity / Expiry Date

26. This ISN is valid from June 2023 and will expire when superseded or withdrawn.

MOD Point of Contact Details

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

DES PSyA Security Advice Centre
Ministry of Defence
email: DESPSyA-SecurityAdviceCentre@mod.gov.uk (Multiuser).

Annexes:

A. F1686 Application Form

**APPLICATION TO SUB-CONTRACT¹ OR COLLABORATE WITH AN OVERSEAS²
CONTRACTOR ON WORK INVOLVING OFFICIAL-SENSITIVE AND ABOVE
CLASSIFIED INFORMATION (ALSO KNOWN AS F1686)**

Request:

| | |
|---|--|
| 1 | From: full name and address of contractor submitting application Telephone no: _____ Email: _____ |
| 2 | Full name and address of selected overseas sub-contractor where work will be undertaken |
| 3 | Maximum level of classified material to be released to or produced by the sub-contractor: |
| 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 United Kingdom Contracting Authority: Telephone no: _____ Email: _____ |

Name: _____ Position in company _____

Signature: Date: _____

Response from Contracting Authority:

¹ For sub-contracts with UK contractors on work requiring an FSC to be initiated complete Annex A only

² For sub-contracts/collaboration with an overseas contractor involving the release of OFFICIAL-SENSITIVE or above information complete and submit 1st page only.

Approval is / is not granted³ to place the sub-contract detailed above. Further information is attached.⁴

Name:

Position/Title:

Signature:

Date:

Contracting Authority Organisation:

In accordance with data protection legislation, the requesting Government authority will collect, use, protect and retain the information in this form in connection with all matters relating to our personnel administration and policies.

³ Delete as appropriate

⁴ Delete if not applicable

Annex A

**APPLICATION BY A UK FSC CONTRACTOR FOR APPROVAL TO SUB-CONTRACT
OR COLLABORATE WITH A UK CONTRACTOR ON WORK CLASSIFIED SECRET
AND ABOVE
(ALSO KNOWN AS F1686)**

PART 1

| | |
|----------|---|
| A | From: full name and address of UK FSC contractor submitting application <div style="display: flex; justify-content: space-between; margin-top: 20px;"> Telephone no: Email: </div> |
| B | Full name and address of selected UK sub- contractor |
| C | Full name and address of selected manufacturer (if different from B) |
| D | Registration no. of the company & VAT no.: Reg No: VAT No: |
| E | Names under which the company has previously traded (if applicable): |
| F | Full name, address, registration and VAT no. of parent and/or holding company: |

| | | | | | | | |
|-----------------------|--|------------|------------|-----------------------|-----------------------|----------------------|----------------------|
| | | | | | | | |
| 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 sub-contractor 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. |
|---|--|

| | | | | |
|---|--|--|--|--|
| 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 Contracting Authority: | | | | |
| | <div>Telephone no:</div> <div>Email:</div> | | | | |

| | | | |
|---|---|--|--|
| P | Name of NATO/other contracting authority: | | |
|---|---|--|--|

Name of Security Controller:

Signature: Date: