

FOCI Mitigation Agreement Definitions:

Board Resolution (BR) - A legally binding document from the organization's governing board acknowledging the foreign investors and denying them access to classified or controlled information. Board resolutions are adequate in cases where the foreign investor has a minority stake in the company, is not a member of the governing board, and has no right to appoint or elect a member of the board.

Security Control Agreement (SCA) - The mitigation is generally used when a company is not effectively owned or controlled by a foreign interest (minority ownership) and the foreign interest is entitled to representation on the company's governing board. The foreign owner still maintains his or her voice in the management of the business through an Inside Director but is denied access to classified or controlled information.

Special Security Agreement (SSA) - A security agreement that may be imposed in cases of majority foreign ownership or control. The foreign owner has a voice in the management of the business through an Inside Director. The SSA is the most common mitigation agreement.