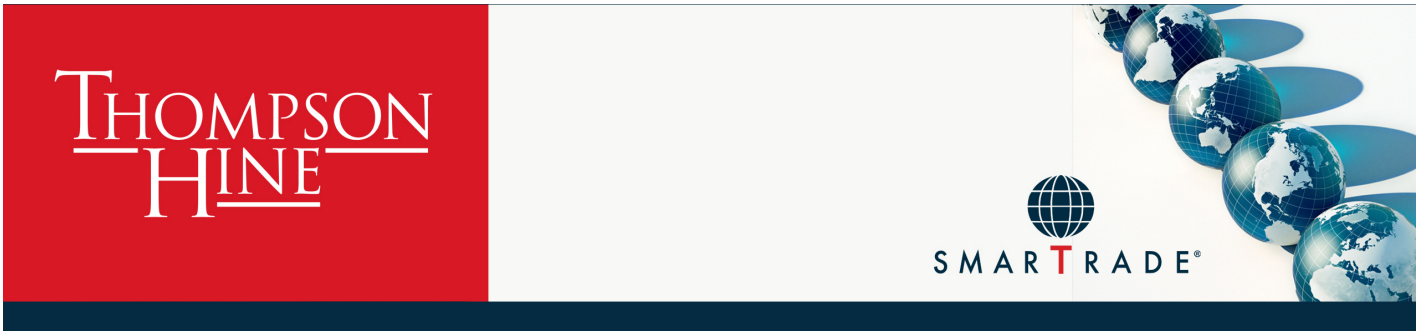


International Trade Update

November 2026

Trends in Regulation of Foreign Direct Investment Into the United States

2025 Annual CFIUS Report Released

The Treasury Department, as the lead agency of the Committee on Foreign Investment in the United States (CFIUS), recently released a public version of its 2025 Annual Report to Congress regarding foreign direct investment in the United States. The report highlights key indicators of the CFIUS process and provides statistics on transactions filed in 2025.

Key Highlights from the 2025 Report

CFIUS determined that 140 declarations and 207 notices involved covered transactions.

- Of the 140 declarations, investors from Japan filed the most in 2025, followed by investors from France and Singapore. CFIUS staff asked the parties in 36 of these declaration transactions to file full notice. Historical data shows that declaration filings continue to trend downward overall.
- Of the 207 full notices, investors from China filed the most (33 notices), followed by Japan (23), the United Arab Emirates (18), and Canada (15). Covered notices fell into these industry sectors: finance, information and services (50%); manufacturing (39%); mining, utilities, and construction (7%); and wholesale/Retail trade and transportation (5%).
- CFIUS extended its review of 114 notices (55% of the notices filed in 2025) into an additional investigation period.
- CFIUS approved the withdrawal of 61 notices. In most instances, the notices were withdrawn after the parties were informed that the transaction posed a national security risk; parties then requested withdrawal to allow for additional time to consider CFIUS' mitigation terms. In 51 of these cases, the parties filed a new notice in either 2025 or 2026. In other cases, the parties withdrew their notice and abandoned the transaction.
- CFIUS reviewed 166 covered transactions involving acquisitions of U.S. critical technology companies in 2025. The top five foreign acquirer countries for these critical transactions were Japan (20), France (16), Israel (15), Germany (13), and the United Kingdom (10).

Real Estate Transactions

In 2025, CFIUS reviewed seven real estate-related declarations and seven voluntary notices. Real estate filings remain low, but they are likely to increase in the coming years because of growing concerns about foreign investment near sensitive military and government facilities and in agricultural land. On July 8, 2025, Treasury Secretary Scott Bessent and Agriculture Secretary Brooke Rollins signed a Memorandum of Understanding (MOU) to ensure that the U.S. Department of Agriculture (USDA) is included in CFIUS cases involving agricultural land, agriculture biotechnology, or the agriculture industry, including agricultural transportation, storage, and processing.

2025 Mitigation and Compliance Efforts

According to the report, CFIUS required mitigation measures for 15 notices in 2025. This continues a slight downward trend in the CFIUS member agencies' reliance on mitigation to clear transactions. At the end of 2025, CFIUS was monitoring 234 mitigation agreements and conditions. CFIUS conducted 40 site visits in 2025, which included

interviews, inspection of records, and verification of physical and logical access controls. CFIUS found instances of noncompliance, but the 2025 Annual Report notes that many did not result in penalties and that CFIUS continues to assess noncompliance on a case-by-case basis.

Non-Notified Transactions

The Annual Report indicates that CFIUS staff continue to look for relevant foreign investment in non-notified transactions. In 2025, CFIUS identified and preliminarily considered thousands of potential non-notified transactions. Of these, it (i) investigated 90, (ii) opened official inquiries into 62, and (iii) requested a filing for nine. In addition, there were two instances in 2025 where parties that received non-notified outreach voluntarily filed a declaration or notice prior to receiving a formal request.

CFIUS Review Delays in 2025-2026

Lapses in congressional funding delayed the CFIUS review timeline for transactions filed in 2025. These included:

- a lapse in appropriations for all government agencies from October 1 to November 12, 2025
- a lapse in appropriations for the Department of the Treasury and several other CFIUS member agencies from January 31 to February 3, 2026
- a lapse in appropriations for the Department of Homeland Security from February 14 to April 30, 2026

Because the review clock was tolled during these lapses, review periods for many transactions were significantly longer.

Presidential Actions in 2025 and 2026

In 2025 and early 2026, the president issued two orders prohibiting acquisitions of U.S. businesses and requiring divestment. Both involved Chinese investors. In the first, CFIUS reviewed a non-notified transaction in which a subsidiary of Suirui Group Co., Ltd. acquired Jupiter Systems, LLC. In July 2025, CFIUS determined that the Chinese ownership posed a national security risk. On July 8, 2025, President Donald Trump issued an order prohibiting the transaction and requiring Suirui to divest all tangible and intangible interests in Jupiter within 120 days. Divestment still had not occurred as of February 2026, so the Department of Justice filed a complaint in federal district court to enforce the presidential order. It was the first action of its kind. In the second, in January 2026, President Trump ordered HieFo Corporation to divest its interests in certain assets of EMCORE Corporation. HieFo did not file a notice with CFIUS until after CFIUS had identified and reviewed the transaction.

In a rare step, President Trump also issued a Presidential Memorandum directing CFIUS and other parts of his administration to conduct a new review of Nippon Steel Corporation's acquisition of United States Steel Corporation, which President Joseph Biden had previously blocked. The transaction was ultimately approved. The approval may have set two new precedents: (i) reopening a CFIUS review closed by a prior president and (ii) requiring the parties to grant the U.S. government a perpetual "golden share" under a confidential National Security Agreement. The agreement reportedly allows the U.S. government to appoint one independent director and requires the government's consent for certain other actions.

Known Investor Pilot Program

Treasury also launched the Known Investor Pilot Program in 2025. The program aims to make it easier for investors from allied and partner countries to invest, if they choose to participate, by collecting detailed information from them before they file potential transactions. The goal of this pilot program is to make CFIUS' national security due diligence process more efficient once a transaction is filed and to reach a final outcome sooner. CFIUS staff collected public comments on the eligibility criteria and on a questionnaire that may be given to participating foreign investors. The comment period closed in March 2026. CFIUS has also released a series of FAQs with more information on the program. CFIUS notes, however, that taking part in the Known Investor Program will not by itself guarantee any particular outcome in a transaction review.

Key Takeaways

Parties considering foreign direct investment deals in the United States should be particularly mindful of the CFIUS review process in the current climate. Some key points to consider:

- Plan for a CFIUS review that may run considerably longer than has been typical. Funding lapses and protracted interagency discussion can add several months.
- CFIUS may be less inclined to seek mitigation agreements.
- National security considerations are changing. Industrial policy issues are complex and deserve careful attention in advance of a transaction.

FOR MORE INFORMATION

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