

Treasury Releases Final Regulations to Reform National Security Reviews for Certain Foreign Investments and Other Transactions in the United States

January 13, 2020

Washington – The U.S. Department of the Treasury today issued two final regulations in order to comprehensively implement the Foreign Investment Risk Review Modernization Act of 2018 (FIRRMA) and to provide the Committee on Foreign Investment in the United States (CFIUS) with the ability to better address national security concerns arising from certain investments and real estate transactions. FIRRMA and the final regulations strengthen and modernize CFIUS, an interagency committee authorized to review certain transactions involving foreign investment in the United States to determine the effect of such transactions on the national security of the United States.

“These regulations strengthen our national security and modernize the investment review process,” said Treasury Secretary Steven T. Mnuchin. “They also maintain our nation’s open investment policy by encouraging investment in American businesses and workers, and by providing clarity and certainty regarding the types of transactions that are covered.”

Enacted with overwhelming bipartisan support in August 2018, FIRRMA broadens the authorities of CFIUS to better address national security concerns arising from certain types of investments and transactions that were previously outside of its jurisdiction. Among other things, FIRRMA broadens CFIUS’s jurisdiction over certain non-controlling investments into certain U.S. businesses involved in critical technology, critical infrastructure, or sensitive personal data. It also establishes CFIUS’s jurisdiction over certain real estate transactions.

The final regulations respond to public comments from a wide range of interested parties by defining additional terms, adding specificity to a number of provisions, and including illustrative examples, among other things. The final regulations also implement FIRRMA’s requirement that the Committee limit the application of its expanded jurisdiction to certain categories of foreign persons.

Consistent with the requirements of FIRRMA, the final regulations will become effective on February 13, 2020.

[View full text of the final regulations and related resources.](#)

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