

COMMITTEE ON FOREIGN INVESTMENT IN THE UNITED STATES

ANNUAL REPORT TO CONGRESS

Report Period: CY 2023



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REPORT PERIOD: CY 2023

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DEPARTMENT OF THE TREASURY WASHINGTON, D.C.

MESSAGE FROM ASSISTANT SECRETARY OF THE TREASURY PAUL ROSEN

On behalf of the Committee on Foreign Investment in the United States (CFIUS or the Committee), I am pleased to issue the CFIUS Annual Report to Congress (the Report) covering calendar year 2023.

The Report responds to the requirements set out in statute at section 721(m) of the Defense Production Act of 1950, as amended, and highlights key indicators of CFIUS's activities and process, including the complexity and volume of cases before the Committee.

The Committee continues to confront a complex national security landscape and significant caseload. We are more focused than ever on diligence, compliance, and enforcement of CFIUS authorities while improving efficiencies in our review of cases. Notably, in 2023 the Committee assessed or imposed four penalties, more than double the total number that CFIUS has previously imposed in its nearly 50-year history, and the first under the regulations implementing the Foreign Investment Risk Review Modernization Act of 2018 (FIRRMA). In addition to those penalties, the Committee also issued the first ever formal determinations of noncompliance specifically in connection with failure to comply with mandatory filing provisions under 31 C.F.R. § 800.401. At the same time, the Committee continued to improve efficiency, reducing the withdraw and refile rate for the first time in five years, from 23 percent in 2022 to 18 percent, as well as increasing the number of transactions cleared in the first 30- or 45-day period from 58 percent in 2022 to 66 percent in 2023. The Committee will continue focusing on efficiency as well as the important compliance and enforcement aspects of our mission.

A few additional notable developments from 2023 that go beyond the data in the Report include:

- In January 2023, the Committee determined that New Zealand and the United Kingdom constitute excepted foreign states under FIRRMA (adding to the previously made determinations of Australia and Canada);
- In August 2023, Treasury issued a final rule on behalf of the Committee adding eight military installations to the list at appendix A of the Committee's regulations related to real estate transactions in part 802 to title 31 of the Code of Federal Regulations, the first update to FIRRMA's regulations;
- In September 2023, Treasury hosted its second annual CFIUS conference, which provided the Committee an opportunity to engage with stakeholders on the CFIUS process, risk analyses, and other important topics and trends; and
- In December 2023, Secretary of the Treasury Janet L. Yellen and Mexico's Secretary of Finance and Public Credit, Rogelio Ramírez de la O, signed a Memorandum of Intent (MOI) to affirm the importance of foreign investment review in protecting national security and express their desire to establish a bilateral working group for regular exchanges of information about how investment reviews can best protect national security.

While CFIUS and the Office of Investment Security had a busy 2023, the work continues, and we remain focused on our enduring efforts to address and resolve national security risks arising from covered transactions. We also continue to review our processes, practices, and regulations, and make any updates as needed and appropriate to ensure that the Committee's consideration of national security

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risks remains robust alongside an evolving and increasingly complicated national security landscape. Thank you for taking the time to read about the important work of the Committee and for your support in our mission to protect national security.

Sincerely,

Paul M. Rosen
Assistant Secretary
Office of Investment Security

THE COMMITTEE ON FOREIGN INVESTMENT IN THE UNITED STATES

Composition and Authority

The Committee on Foreign Investment in the United States (CFIUS or the Committee) is an interagency body of the U.S. Government that is authorized by law to review and address national security risks arising from certain transactions involving foreign investment in the United States. The review is solely to determine the effect of the transaction on the national security of the United States.

CFIUS member agencies include the Departments of the Treasury (chair), State, Defense, Justice, Commerce, Energy, and Homeland Security; the Office of the United States Trade Representative; and the Office of Science and Technology Policy within the Executive Office of the President. The Office of the Director of National Intelligence and the Department of Labor are ex-officio members, and five White House offices are observers. As needed to assess the national security effects of a covered transaction (i.e., a transaction submitted to CFIUS for review that CFIUS determines is subject to its jurisdiction under the relevant regulations at chapter VIII of title 31 of the C.F.R.), CFIUS involves other federal government agencies in its reviews, such as the Department of Transportation and the Department of Health and Human Services. In Section 787 of the Consolidated Appropriations Act of 2024, Public Law No. 118-42, Congress added the Department of Agriculture a member of the Committee on a case-by-case basis for transactions involving certain agricultural equities.

CFIUS operates pursuant to section 721 of the Defense Production Act of 1950, as amended (Section 721), and as implemented by Executive Order 11858, as amended, and the regulations at chapter VIII of title 31 of the Code of Federal Regulations (C.F.R.).

Additionally, Executive Order 14083, issued in September 2022, provides direction on some of the risks that CFIUS should consider when reviewing a covered transaction. A full discussion of risks considered by CFIUS is available in subsection I-G of this Report.

Process

With the exception of certain transactions that are subject to the mandatory filing requirement, parties voluntarily submit declarations or notices of transactions to CFIUS. CFIUS will determine if these are “covered transactions” under 31 C.F.R. part 800 or “covered real estate transactions” under 31 C.F.R. part 802 (collectively referred to herein as covered transactions).

CFIUS also has the authority to review pending or completed transactions even absent a voluntary filing by the parties if a member of the Committee has reason to believe that the transaction is subject to CFIUS jurisdiction and may raise national security concerns.

CFIUS is required to complete a “review” of a notified transaction within 45 days. CFIUS may initiate an “investigation” that could last up to 45 additional days if CFIUS determines that it needs additional time to complete its assessment following the conclusion of the “review” period.

Instead of a voluntary notice, parties may alternatively submit a declaration: an abbreviated notification to which the Committee must respond within a 30-day “assessment” period. After assessing a submitted declaration, CFIUS is authorized to (1) request that parties file a written notice; (2) inform the parties that the Committee is unable to conclude action with respect to the transaction on the basis of the

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declaration and that the parties may file a written notice; (3) initiate a unilateral review; or (4) notify the parties that the Committee has concluded all action under Section 721.

CFIUS will conclude all action with respect to a transaction if it determines that the transaction does not pose any unresolved national security concerns, including cases where any national security concerns are adequately addressed by laws other than Section 721 and the International Emergency Economic Powers Act (IEEPA), or where mitigation measures agreed to or imposed by CFIUS address any unresolved national security concerns. If CFIUS determines that the transaction poses unresolved national security concerns and that mitigation measures are not adequate or appropriate to resolve such concerns, it may refer the transaction to the President unless the parties choose to withdraw and abandon the transaction. The President may suspend or prohibit the transaction, including by requiring divestment. By law, the President has to make a decision no later than 15 days after the completion of CFIUS's investigation or the date on which CFIUS otherwise refers the transaction to the President. The President must publicly announce such a decision.

CFIUS will seek mitigation measures or refer a transaction to the President only after an analysis of the national security risk posed by the transaction. CFIUS determinations are certified by senior officials as prescribed by law.

With limited exceptions, any transaction submitted to CFIUS for review that CFIUS determines is a covered transaction under the relevant regulations at chapter VIII of title 31 of the C.F.R. and for which it concludes all action receives a “safe harbor.” This means that CFIUS and the President will not subject the transaction to review again, absent specific circumstances (e.g., discovery of a material misstatement in the information provided by the transaction parties to CFIUS, discovery of a material misstatement to monitoring agencies, or a material violation of a mitigation agreement).

By law, CFIUS must treat as confidential information provided to CFIUS by parties to a transaction, including the fact that parties have submitted a transaction for review, absent specific exceptions.

This Annual Report

This CFIUS annual report (Annual Report or Report) covers transactions filed with CFIUS in calendar year 2023.

SECTION I: COVERED TRANSACTIONS

Introduction

This section of the Annual Report has been prepared in accordance with the following information requirements under Section 721(m) and as applicable for the reporting period (calendar year 2023):

- A list of all notices filed, and all reviews or investigations of covered transactions completed during the period, with –
 - A description of the outcome of each review or investigation, including whether an agreement was entered into or condition was imposed under Section 721(I)(3)(A) with respect to the transaction being reviewed or investigated, and whether the President took any action under this section with respect to that transaction;
 - Basic information on each party to each such transaction;
 - The nature of the business activities or products of the United States business with which the transaction was entered into or intended to be entered into; and
 - Information about any withdrawal from the process.
- Specific, cumulative, and, as appropriate, trend information on the numbers of filings, investigations, withdrawals, and decisions or actions by the President under Section 721;
- Cumulative and, as appropriate, trend information on the business sectors involved in the filings which have been made, and the countries from which the investments have originated;
- Information on whether companies that withdrew a notice to the Committee in accordance with Section 721(b)(1)(c)(ii) later refiled such notices, or, alternatively, abandoned the transaction;
- The types of security arrangements and conditions the Committee has used to mitigate national security concerns about a transaction, including a discussion of the methods that the Committee and any lead agency are using to determine compliance with such arrangements or conditions;
- A detailed discussion of all perceived adverse effects of covered transactions on the national security or critical infrastructure of the United States that the Committee will take into account in its deliberations during the period before delivery of the next report, to the extent possible;
- Statistics on compliance plans conducted and actions taken by the Committee under Section 721(I)(6), including subparagraph (D) of Section 721(I)(6), during that period, a general assessment of the compliance of parties with agreements entered into and conditions imposed under Section 721(I)(3)(A) that are in effect during that period, including a description of any actions taken by the Committee to impose penalties or initiate a unilateral review pursuant to Section 721(b)(1)(D)(iii), and any recommendations for improving the enforcement of such agreements and conditions;
- Cumulative and, as appropriate, trend information on the number of declarations filed under Section 721(b)(1)(C)(v), the actions taken by the Committee in response to those declarations, and the business sectors involved in those declarations, and the countries involved in those declarations;
- A description of –

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- The methods used by the Committee to identify non-notified and non-declared transactions under subsection (b)(1)(H);
- Potential methods to improve such identification and the resources required to do so; and
- The number of transactions identified through the process established under that subsection during the reporting period and the number of such transactions flagged for further review.
- A summary of the hiring practices and policies of the Committee pursuant to subsection (k)(4).
- A list of the waivers granted by the Committee under subsection (b)(1)(C)(v)(IV)(bb)(CC).

Subsection 721(m)(4)(B) specifies that the classified version of the Annual Report include the following information, as applicable:

- If the Committee recommends that the President suspend or prohibit a covered transaction because the transaction threatens to impair the national security of the United States, the Committee shall, in the classified version of the report required under paragraph (1), notify Congress of the recommendation and, upon request, provide a classified briefing on the recommendation.

Additionally, Section 721(m) specifies that the unclassified version of the Annual Report include the following information, as applicable:

- The number of notices submitted under Section 721(b)(1)(C)(i);
- The number of declarations submitted under subsection (b)(1)(C)(v) and the number of such declarations that were required under subclause (IV) of that subsection;
- The number of declarations submitted under subsection (b)(1)(C)(v) for which the Committee required resubmission as notices under subsection (b)(1)(C)(i);
- The average number of days that elapsed between submission of a declaration under subsection (b)(1)(C)(v) and the acceptance of the declaration by the Committee;
- The median and average number of days that elapsed between acceptance of a declaration by the Committee and a response described in subsection (b)(1)(C)(v)(III);
- Information on the time it took the Committee to provide comments on, or to accept, notices submitted under subsection (b)(1)(C)(i), including –
 - The average number of business days that elapsed between the date of submission of a draft notice and the date on which the Committee provided written comments on the draft notice;
 - The average number of business days that elapsed between the date of submission of a formal written notice and the date on which the Committee accepted or provided written comments on the formal written notice; and
 - If the average number of business days for a response by the Committee reported under subclause (I) or (II) exceeded 10 business days –

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- An explanation of the causes of such delays, including whether such delays are caused by resource shortages, unusual fluctuations in the volume of notices, transaction characteristics, or other factors; and
- An explanation of the steps that the Committee anticipates taking to mitigate the causes of such delays and otherwise to improve the ability of the Committee to provide comments on, or to accept, notices within 10 business days;
- The number of notices submitted under subsection (b)(1)(C)(i) and declarations submitted under subsection (b)(1)(C)(v) that were rejected by the Committee;
- The number of such notices and declarations that were withdrawn by a party to the covered transaction;
- The number of such withdrawals that were followed by the submission of a subsequent such notice or declaration relating to a substantially similar covered transaction; and
- Such other specific, cumulative, or trend information that the Committee determines is advisable to provide for an assessment of the time required for reviews and investigations of covered transactions under this section.

Sections II and III of the Report below address other information requirements under Section 721(m) relating to critical technologies and foreign direct investment in the United States by countries that boycott Israel or do not ban terrorist organizations.

A. Information Regarding 2023 Covered Transaction Declarations

Any transaction¹ can be notified to CFIUS by declaration or notice, including certain transactions subject to mandatory filing requirements. Declarations are mandatory for certain covered control transactions and non-controlling investments in U.S. businesses that produce, design, test, manufacture, fabricate, or develop one or more critical technologies, as defined in the regulations. Declarations are also mandatory for certain covered transactions if the transaction involved an investment that resulted in the acquisition, directly or indirectly, of a substantial interest in a “TID U.S. business”² by a foreign person in which a foreign government has, directly or indirectly, a substantial interest.

CFIUS is authorized to take the following actions after its 30-day assessment of submitted declarations for covered transactions:

- Notify the parties that the Committee has concluded all action under Section 721;
- Inform the parties that the Committee is unable to conclude action with respect to the transaction on the basis of the declaration and that the parties may file a written notice;
- Request that the parties file a written notice; or
- Initiate a unilateral review.

CFIUS conducted an assessment and took one of the actions outlined above with respect to 109 declarations of covered transactions submitted in 2023. Three of these declarations were for covered real estate transactions under 31 C.F.R. part 802. Based on stipulations provided by the parties, 36 declarations were subject to mandatory filing requirements.

¹ Any transaction subject to the regulations implementing the Foreign Investment Risk Review Modernization Act (FIRRMA), effective February 13, 2020.

² As defined by 31 C.F.R. § 800.248, which describes businesses involved with critical technologies, covered investment critical infrastructure, or sensitive personal data.

1. Information Regarding 2023 Covered Transaction Declarations

Table I-1 provides cumulative information regarding covered transaction declarations submitted in the relevant year as well as the respective actions taken by the Committee.

Table I-1. Covered Transaction Declarations, 2018-2023

Covered Transaction Declarations, 2018 – 2023							
Year	Total Number of Declarations	Concluded Action	Unable to Conclude Action	Request for Notice	Unilateral Agency Notice ³	Declarations Rejected	Declarations Withdrawn
2018	20	2	12	5	0	0	1
2019	94	35	32	26	0	0	1
2020	126	81	16	28	0	0	1
2021	164	120	12	30	0	2	0
2022	154	90	14	50	0	0	0
2023	109	83	6	20	0	0	0
Total	667	411	92	159	0	2	3

³ See Section I-E for unilateral agency notices arising in other contexts.

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To provide cumulative and trend information on the business sectors involved in covered transaction declarations, Table I-2 provides a breakdown by subsector and NAICS code for the covered transaction declarations filed with CFIUS from 2021 to 2023.

Because NAICS codes are not required for covered real estate transactions, declarations filed under 31 C.F.R. part 802 are not included in this table. This table should not be interpreted as representing overall sector trends in foreign direct investments more broadly.

Table I-2. Covered Transaction Declarations by Business Sector of U.S. Companies, 2021-2023⁴

3-Digit NAICS Category	4-Digit NAICS	4-Digit NAICS Business Sector	Declarations			
			2021	2022	2023	Total
Animal Production and Aquaculture	1125	Aquaculture	0	1	0	1
Oil and Gas Extraction	2111	Oil and Gas Extraction	2	1	0	3
Mining (except Oil and Gas)	2121	Coal Mining	0	2	0	2
	2122	Metal Ore Mining	1	1	2	4
Support Activities for Mining	2131	Support Activities for Mining	0	0	1	1
Utilities	2211	Electric Power Generation, Transmission and Distribution	9	15	6	30
	2212	Natural Gas Distribution	0	3	0	3
	2213	Water, Sewage and Other Systems	1	0	0	1
Construction of Buildings	2362	Nonresidential Building Construction	0	1	1	2
Heavy and Civil Engineering Construction	2371	Utility System Construction	1	1	0	2
Specialty Trade Contractors	2382	Building Equipment Contractors	0	1	0	1
Textile Product Mills	3149	Other Textile Product Mills	1	0	0	1
Wood Product Manufacturing	3219	Other Wood Product Manufacturing	0	1	0	1
Petroleum and Coal Products Manufacturing	3241	Petroleum and Coal Products Manufacturing	1	1	0	2
Chemical Manufacturing	3251	Basic Chemical Manufacturing	0	1	1	2
	3252	Resin, Synthetic Rubber, and Artificial Synthetic Fibers and Filaments Manufacturing	1	0	1	2
	3254	Pharmaceutical and Medicine Manufacturing	1	3	1	5
	3259	Other Chemical Product and Preparation Manufacturing	0	0	1	1
Plastics and Rubber Products Manufacturing	3261	Plastics Product Manufacturing	1	0	1	2
Primary Metal Manufacturing	3311	Iron and Steel Mills and Ferroalloy Manufacturing	1	0	0	1
	3312	Steel Product Manufacturing from Purchased Steel	1	0	0	1
	3313	Alumina and Aluminum Production and Processing	0	0	1	1

⁴ In this Report, industry sectors and subsectors are defined using 2012 and 2017 North American Industry Classification System (NAICS) codes of the U.S. target company. Whenever possible, the NAICS code assigned to each U.S. target company is based upon information provided by the parties. If no NAICS code was provided, CFIUS determined the most appropriate NAICS code using publicly available information.

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3-Digit NAICS Category	4-Digit NAICS	4-Digit NAICS Business Sector	Declarations			
			2021	2022	2023	Total
	3314	Nonferrous Metal (except Aluminum) Production and Processing	0	0	1	1
Fabricated Metal Product Manufacturing	3323	Architectural and Structural Metals Manufacturing	1	0	0	1
	3326	Spring and Wire Product Manufacturing	0	1	0	1
	3327	Machine Shops; Turned Product; and Screw, Nut, and Bolt Manufacturing	0	0	1	1
	3328	Coating, Engraving, Heat Treating, and Allied Activities	4	0	2	6
	3329	Other Fabricated Metal Product Manufacturing	2	6	1	9
Machinery Manufacturing	3331	Agriculture, Construction, and Mining Machinery Manufacturing	2	0	0	2
	3332	Industrial Machinery Manufacturing	0	2	1	3
	3333	Commercial and Service Industry Machinery Manufacturing	4	2	1	7
	3335	Metalworking Machinery Manufacturing	0	1	2	3
	3336	Engine, Turbine, and Power Transmission Equipment Manufacturing	3	1	1	5
	3339	Other General Purpose Machinery Manufacturing	1	1	1	3
Computer and Electronic Product Manufacturing	3341	Computer and Peripheral Equipment Manufacturing	5	0	0	5
	3342	Communications Equipment Manufacturing	4	3	1	8
	3343	Audio and Video Equipment Manufacturing	0	1	0	1
	3344	Semiconductor and Other Electronic Component Manufacturing	7	6	4	17
	3345	Navigational, Measuring, Electromedical, and Control Instruments Manufacturing	3	4	8	15
	3346	Manufacturing and Reproducing Magnetic and Optical Media	0	0	1	1
Electrical Equipment, Appliance, and Component Manufacturing	3353	Electrical Equipment Manufacturing	0	1	0	1
	3359	Other Electrical Equipment and Component Manufacturing	0	0	2	2
Transportation Equipment Manufacturing	3361	Motor Vehicle Manufacturing	0	1	0	1
	3364	Aerospace Product and Parts Manufacturing	6	6	8	20
	3365	Railroad Rolling Stock Manufacturing	0	1	0	1
	3366	Ship and Boat Building	1	0	0	1
Miscellaneous Manufacturing	3391	Medical Equipment and Supplies Manufacturing	0	1	1	2
	3399	Other Miscellaneous Manufacturing	0	1	0	1
Merchant Wholesalers, Durable Goods	4234	Professional and Commercial Equipment and Supplies Merchant Wholesalers	0	1	0	1

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3-Digit NAICS Category	4-Digit NAICS	4-Digit NAICS Business Sector	Declarations			
			2021	2022	2023	Total
	4235	Metal and Mineral (except Petroleum) Merchant Wholesalers	1	0	0	1
	4236	Household Appliances and Electrical and Electronic Goods Merchant Wholesalers	2	0	0	2
	4238	Machinery, Equipment, and Supplies Merchant Wholesalers	0	3	0	3
	4239	Miscellaneous Durable Goods Merchant Wholesalers	0	1	1	2
Merchant Wholesalers, Nondurable Goods	4245	Farm Product Raw Material Merchant Wholesalers	0	1	0	1
	4246	Chemical and Allied Products Merchant Wholesalers	1	0	0	1
	4247	Petroleum and Petroleum Products Merchant Wholesalers	1	0	0	1
Motor Vehicle and Parts Dealers	4411	Automobile Dealers	0	1	0	1
Sporting Goods, Hobby, Musical Instrument, and Book Stores	4511	Sporting Goods, Hobby, and Musical Instrument Stores	0	0	1	1
Miscellaneous Store Retailers	4539	Other Miscellaneous Store Retailers	0	1	0	1
Nonstore Retailers	4541	Electronic Shopping and Mail-Order Houses	1	0	1	2
	4543	Direct Selling Establishments	1	0	0	1
Air Transportation	4812	Nonscheduled Air Transportation	1	0	0	1
Water Transportation	4831	Deep Sea, Coastal, and Great Lakes Water Transportation	0	0	1	1
Truck Transportation	4841	General Freight Trucking	0	1	0	1
Transit and Ground Passenger Transportation	4851	Urban Transit Systems	0	1	0	1
Pipeline Transportation	4869	Other Pipeline Transportation	0	1	0	1
Support Activities for Transportation	4881	Support Activities for Air Transportation	2	3	1	6
	4883	Support Activities for Water Transportation	1	0	3	4
	4885	Freight Transportation Arrangement	2	0	1	3
Couriers and Messengers	4921	Couriers and Express Delivery Services	0	1	0	1
	4922	Local Messengers and Local Delivery	0	1	0	1
Warehousing and Storage	4931	Warehousing and Storage	0	0	1	1
Publishing Industries (except Internet)	5112	Software Publishers	11	8	3	22
Motion Picture and Sound Recording Industries	5121	Motion Picture and Video Industries	0	1	0	1
Publishing Industries	5132	Software Publishers	0	0	1	1
Telecommunications	5173	Wired and Wireless Telecommunications Carriers	4	2	0	6
	5174	Satellite Telecommunications	0	4	0	4
	5179	Other Telecommunications	1	3	4	8
Data Processing, Hosting, and Related Services	5182	Data Processing, Hosting, and Related Services	3	6	1	10
Other Information Services	5191	Other Information Services	0	1	0	1

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3-Digit NAICS Category	4-Digit NAICS	4-Digit NAICS Business Sector	Declarations			
			2021	2022	2023	Total
Credit Intermediation and Related Activities	5222	Nondepository Credit Intermediation	1	0	0	1
Securities, Commodity Contracts, and Other Financial Investments and Related Activities	5231	Securities and Commodity Contracts Intermediation and Brokerage	1	0	1	2
	5239	Other Financial Investment Activities	4	1	0	5
Insurance Carriers and Related Activities	5241	Insurance Carriers	6	0	1	7
Funds, Trusts, and Other Financial Vehicles	5259	Other Investment Pools and Funds	1	0	0	1
Real Estate	5311	Lessors of Real Estate	7	5	0	12
	5313	Activities Related to Real Estate	3	0	0	3
Rental and Leasing Services	5324	Commercial and Industrial Machinery and Equipment Rental and Leasing	1	0	2	3
Professional, Scientific, and Technical Services	5412	Accounting, Tax Preparation, Bookkeeping, and Payroll Services	0	1	0	1
	5413	Architectural, Engineering, and Related Services	4	6	6	16
	5415	Computer Systems Design and Related Services	10	3	6	19
	5416	Management, Scientific, and Technical Consulting Services	3	0	1	4
	5417	Scientific Research and Development Services	5	15	12	32
	5418	Advertising, Public Relations, and Related Services	1	0	0	1
	5419	Other Professional, Scientific, and Technical Services	3	0	2	5
Management of Companies and Enterprises	5511	Management of Companies and Enterprises	7	0	2	9
Administrative and Support Services	5611	Office Administrative Services	1	0	0	1
	5612	Facilities Support Services	0	1	1	2
	5614	Business Support Services	2	1	0	3
	5616	Investigation and Security Services	1	0	1	2
Educational Services	6114	Business Schools and Computer and Management Training	1	0	0	1
	6115	Technical and Trade Schools	0	1	0	1
	6117	Educational Support Services	1	0	0	1
Ambulatory Health Care Services	6215	Medical and Diagnostic Laboratories	1	0	0	1
	6219	Other Ambulatory Health Care Services	1	1	0	2
Food Services and Drinking Places	7223	Special Food Services	1	0	0	1
Repair and Maintenance	8112	Electronic and Precision Equipment Repair and Maintenance	0	1	0	1
	8113	Commercial and Industrial Machinery and Equipment (except Automotive and Electronic) Repair and Maintenance	0	1	0	1
Personal and Laundry Services	8129	Other Personal Services	1	0	0	1

2. Covered Transaction Declarations by Country or Economy, 2021-2023

Table I-3 organizes declarations from 2021 through 2023 by country or geographic economy. Investors from Canada accounted for the most declarations in 2023 (13 declarations). Investors from Japan and France accounted for the second- and third-most declarations in 2023 with 11 each.

For the three-year period of 2021-2023, investors from Canada accounted for the largest proportion of declarations with 13 percent (57 declarations). Investors from Japan accounted for the second most declarations from 2021 to 2023 with nine percent (40 declarations). Investors from Germany and South Korea each had 32 declarations, or seven percent, over this three-year period, accounting for the third- and fourth-most declarations.

Table I-3. Declarations by Acquirer Home Country or Economy, 2021-2023⁵

Declarations by Acquirer Home Country or Economy, 2021-2023				
Country/Economy	2021	2022	2023	Total
Algeria	0	0	1	1
Australia	8	6	7	21
Austria	1	1	0	2
Azerbaijan	0	1	0	1
Belgium	0	0	2	2
Bermuda	4	0	0	4
Brazil	0	2	0	2
British Virgin Islands	0	1	1	2
Canada	22	22	13	57
Cayman Islands	6	2	2	10
Chile	0	1	0	1
China ⁶	1	5	2	8
Cyprus	0	1	0	1
Czech Republic	0	0	1	1
Denmark	1	3	0	4
Finland	1	1	0	2
France	9	9	11	29
Germany	11	15	6	32
Guernsey	9	1	3	13
India	3	2	2	7
Ireland	2	1	1	4
Isle of Man	1	0	0	1
Israel	2	3	1	6

⁵ Because some covered transactions involve multiple acquirers from more than one country or economy, the totals in this chart for the years represented are greater than the total number of covered declarations reviewed by the Committee in those years.

⁶ In accordance with Executive Order 13936 on Hong Kong Normalization (85 Fed. Reg. 43413 (July 17, 2020)), any transaction for which Hong Kong is identified as the origin geographic economy of the foreign acquirer is reported as originating from China.

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Declarations by Acquirer Home Country or Economy, 2021-2023				
Country/Economy	2021	2022	2023	Total
Italy	4	1	1	6
Jamaica	1	0	0	1
Japan	11	18	11	40
Jersey	4	5	2	11
Kuwait	0	0	2	2
Luxembourg	4	2	1	7
Malaysia	0	1	1	2
Mauritius	0	0	1	1
Mexico	1	1	0	2
Netherlands	6	3	4	13
New Zealand	2	1	0	3
Norway	3	2	5	10
Qatar	1	1	1	3
Russia	1	0	0	1
Saudi Arabia	3	1	2	6
Singapore	11	9	0	20
South Africa	1	1	1	3
South Korea	12	13	7	32
Spain	2	1	2	5
Sweden	3	4	2	9
Switzerland	0	2	2	4
Taiwan	2	1	0	3
Thailand	0	1	0	1
Turkey	0	0	1	1
United Arab Emirates	2	7	2	11
United Kingdom	10	10	10	30
Vietnam	0	0	1	1

3. Information on Committee Turnaround for Acceptance

For declarations submitted in 2023, the average number of calendar days that elapsed between the date a declaration was submitted (i.e., became complete) and the date on which the Committee accepted the declaration was 4.2 days.

The following Table I-4 provides information on the average and median number of days for the Committee to take action on declarations in 2023.

Table I-4. Average and Median Days to Complete Assessment of Declarations

For Covered Declarations in 2023	
Average Calendar Days	29.9
Median Calendar Days	30.0

4. Waivers Granted of Mandatory Filing Requirements

Section 721(b)(1)(C)(v)(IV)(bb)(CC) gives the Committee the ability to waive the requirement to submit a declaration for a transaction involving the acquisition, directly or indirectly, of a substantial interest in a U.S. business by a foreign person in which a foreign government has, directly or indirectly, a substantial interest. The Committee may waive the requirement if it determines that the foreign person demonstrates that the investments of the foreign person are not directed by a foreign government and the foreign person has a history of cooperation with the Committee.

In 2023, the Committee did not waive this requirement for any transaction.

B. Information Regarding 2023 Covered Transaction Notices

There were 233 written notices of transactions filed with CFIUS in 2023 that CFIUS determined to be covered transactions. These figures, and those in the tables below (unless specified), reflect the total number of notices filed with CFIUS and are not adjusted down to account for those transactions that were the subject of more than one notice – i.e., where the original notice was withdrawn and then refiled, as discussed in subsection I-E of this Report.

- CFIUS conducted a “review” with respect to the 233 notices of covered transactions that were accepted in 2023, of which two were real estate notices filed under 31 C.F.R. part 802.
- CFIUS conducted a subsequent “investigation” with respect to 128 of those 233 notices.
- One notice was subject to an extension under Section 721(b)(2)(C)(ii)(I).⁷
- CFIUS adopted or imposed mitigation measures as follows:
 - CFIUS concluded action after adopting a mitigation agreement or order to resolve national security concerns with respect to 35 notices.
 - CFIUS adopted mitigation agreements to address residual national security concerns with respect to one notice that was voluntarily withdrawn and abandoned.
 - Separately, in letters issued by Treasury granting the withdrawal and abandonment for six notices, conditions were imposed (however these did not involve mitigation agreements).
 - Measures were imposed to mitigate interim risk with respect to one notice filed in 2023.⁸
- 57 of the 233 notices were withdrawn. In 43 of these instances, the parties filed a new notice. 35 were re-filed in 2023 and eight in 2024. In 14 of these instances, the parties withdrew the notice and abandoned the transaction for commercial reasons or after CFIUS either informed the parties that it was unable to identify mitigation measures that would resolve its national security concerns or proposed mitigation measures that the parties chose not to accept.⁹
- Two notices of covered transactions were rejected by CFIUS in 2023.¹⁰
- There were no Presidential decisions issued in 2023.

⁷ Section 721(b)(2)(C)(ii)(I) allows for one 15-day extension of the investigation period in extraordinary circumstances.

⁸ Further information can be found in subsection I-F.

⁹ Further information can be found in subsection I-E.

¹⁰ CFIUS may reject a notice due to incompleteness, a material change to the transaction, discovery of contradictory information regarding the transaction, or failure of the parties to respond to the Committee’s requests for follow up information.

C. Specific, Cumulative, and Trend Data for Covered Transactions, Withdrawals, and Investigations

Table I-5 below provides an aggregated list of transactions, withdrawals, and presidential decisions from 2014-2023. Over this ten-year period, companies filed 2,137 notices of transactions that CFIUS determined to be a covered transaction under Section 721. Of these 2,137 notices, approximately 1 percent (22 notices) were withdrawn during the review phase. Approximately 54 percent (1,149 notices) resulted in an investigation, and approximately 21 percent (448 notices) were withdrawn during the investigation phase. Withdrawal of a notice is a function of the particular facts and circumstances of the specific transaction being reviewed by the Committee.

As shown in Table I-5, the number of notices of transactions subject to CFIUS jurisdiction has generally increased over the last ten years. The proportion of notices proceeding to investigation in 2023 was approximately 55 percent, which is slightly down from 2022 (57 percent). The overall number of covered transactions reviewed or assessed by the Committee (on the basis of a written notice or a declaration) in 2023 was 342.

A variety of factors affect the data in this Report, which may make it difficult to extrapolate CFIUS trends year-over-year. CFIUS considers each transaction on a case-by-case basis, and the disposition of any particular case – be it withdrawal, closing in review or investigation, or presidential decision – depends on the particular facts and circumstances of that case.

Table I-5. Covered Transactions, Withdrawals, and Presidential Decisions, 2014-2023

Covered Transactions, Withdrawals¹¹, and Presidential Decisions, 2014-2023					
Year	Number of Notices	Notices Withdrawn During Review Phase	Number of Investigations	Notices Withdrawn After Commencement of Investigation	Presidential Decisions
2014	147	3	52	9	0
2015	143	3	67	10	0
2016	172	6	79	21	1
2017	237	4	172	70	1
2018	229	2	158	64	1
2019	231	0	113	30	1
2020	187	1	88	28	1
2021	272	2	130	72	0
2022	286	1	163 ¹²	87	0
2023	233	0	128	57	0
Total	2137	22	1150	448	5

¹¹ Please see subsection I-E for a discussion of the reasons for which parties may seek to withdraw a notice.

¹² Number adjusted from the 2022 Annual Report to include a covered transaction that was rejected by the Committee. All covered transactions, regardless of disposition, are included in this Report.

1. Committee Turnaround of Comments, Acceptance, Notices

The Committee continued to meet its obligations with regard to providing comments on draft notices and accepting notices in a timely manner.

For notices filed in 2023, the average number of business days that elapsed between the date of the submission of a draft notice and the date on which the Committee provided written comments on the draft notice was 7.86 days, less than the 10-day deadline applicable under Section 721.¹³

The average number of business days that elapsed between the date of the submission of a formal written notice and the date on which the Committee accepted the formal written notice was 4.92 days, less than the 10-day deadline applicable under Section 721.

The following table provides information on the median and average number of days for the Committee to complete reviews and investigations in 2023. These numbers may exceed 45 or 90 calendar days in some cases because, in certain circumstances, the forty-fifth calendar day of a review or an investigation can fall on a Saturday, Sunday, or public holiday. In those cases, the next business day is considered the final day of the review or investigation per CFIUS regulations.

Table I-6. Average and Median Days to Complete Reviews and Investigations

For Covered Transactions in 2023	Average Calendar Days	Median Calendar Days
Closing in Review	45.8	45.0
Closing in Investigation	85.8	91.0

¹³ This number is inclusive of all draft notices filed in 2023 regardless of whether the parties made a stipulation. Under Section 721, as amended by FIRRMA, and the CFIUS regulations that went into effect on February 13, 2020, the Committee must provide comments within 10 business days of the submission of a notice if the parties stipulate that the transaction is covered under the CFIUS regulations.

D. Covered Notices by Business Sector and Country

1. Covered Notices by Business Sector of U.S. Companies, 2014-2023

The notices of covered transactions filed with CFIUS from 2014 through 2023 involved a wide range of industries. To provide cumulative and trend information on the business sectors involved in covered transaction notices, Treasury groups covered transaction notices into four categories that generally correspond to the NAICS code provided by each U.S. business party.¹⁴ The four categories are Finance, Information, and Services; Manufacturing; Mining, Utilities, and Construction; and Wholesale Trade, Retail Trade, and Transportation. Because NAICS codes are not required for covered real estate transactions, notices filed under 31 C.F.R. part 802 are not included in this analysis. This analysis reflects total filing volume, including transactions which were withdrawn and refiled, and it does not represent distinct transactions nor overall sector trends in foreign direct investment more broadly.

From 2014-2023, almost 80 percent of non-real estate notices were in either the Finance, Information and Services sector (922 notices or 43 percent) or the Manufacturing sector (760 notices or 36 percent). The remainder of the notices were in the Mining, Utilities, and Construction sector (276 notices or 13 percent) and the Wholesale Trade, Retail Trade and Transportation sector (169 notices or 8 percent).

The following table and graphs provide data by sector and by calendar year of the 2,127 non-real estate covered transaction notices filed with CFIUS during the ten-year period from 2014 through 2023. Since 2021, the majority of transactions have occurred in the Finance, Information, and Services sector. Similarly, the Manufacturing sector has accounted for the second most notices filed since 2021.

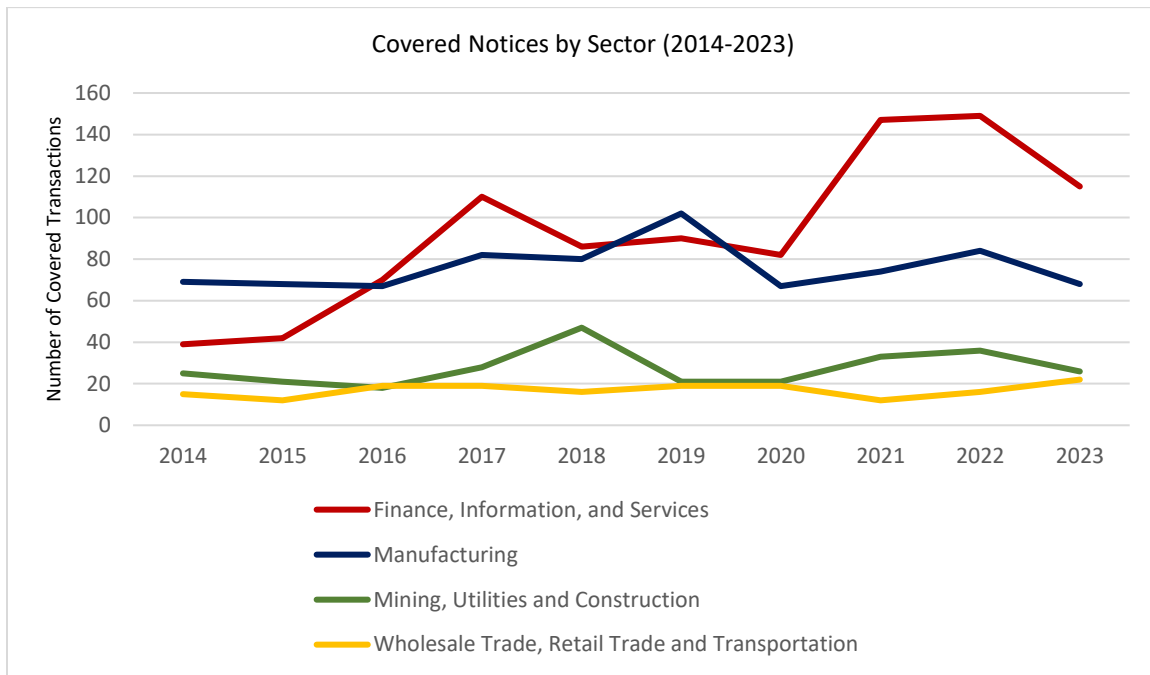
Table I-7. Covered Notices by Sector and Year, 2014-2023¹⁵

Covered Notices by Sector and Year, 2014-2023					
Year	Finance, Information and Services	Manufacturing	Mining, Utilities and Construction	Wholesale Trade, Retail Trade and Transportation	Total
2014	38 (26%)	69 (47%)	25 (17%)	15 (10%)	147
2015	42 (29%)	68 (48%)	21 (15%)	12 (8%)	143
2016	68 (40%)	67 (39%)	18 (10%)	19 (11%)	172
2017	108 (46%)	82 (35%)	28 (12%)	19 (8%)	237
2018	86 (38%)	80 (35%)	47 (21%)	16 (7%)	229
2019	89 (39%)	102 (44%)	21 (9%)	19 (8%)	231
2020	80 (43%)	67 (36%)	21 (11%)	19 (10%)	187
2021	147 (55%)	74 (28%)	33 (12%)	12 (5%)	266
2022	149 (52%)	84 (29%)	36 (13%)	16 (6%)	284
2023	115 (50%)	68 (29%)	26 (11%)	22 (10%)	231
Total	922	760	276	169	2127

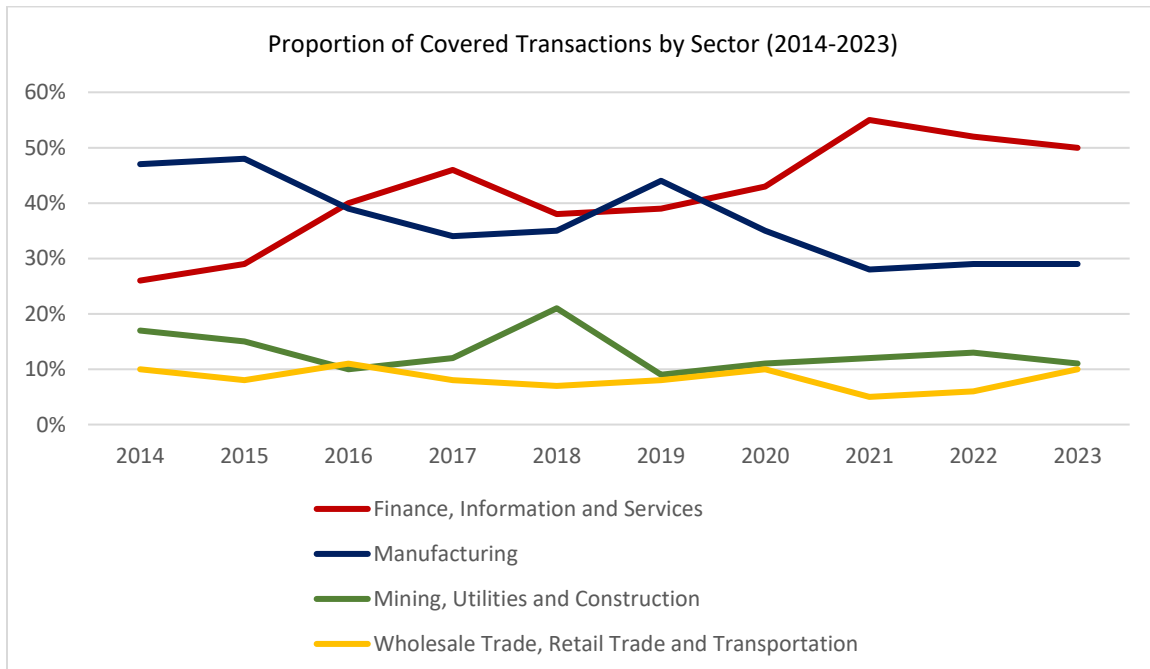
¹⁴ If no NAICS code was provided, CFIUS determined the most appropriate NAICS code using publicly available information.

¹⁵ Does not include real estate notices filed under 31 C.F.R. part 802.

Graph I-1. Covered Notices by Sector and Year (2014-2023)



Graph I-2. Proportion of Covered Notices by Sector and Year (2014-2023)



Finance, Information, and Services Sector

In 2023, the Finance, Information, and Services sector accounted for 50 percent or 115 of the 231 non-real estate CFIUS notices. Within this sector, Professional, Scientific, and Technical Services continued to be the largest subsector, accounting for 46 percent or 53 notices. The other top subsector in 2023 was Publishing Industries (except Internet) at 17 percent or 19 notices. All other subsectors fell below 10 percent of notices.

Table I-8. Covered Notices from the Finance, Information, and Services Sector, 2021-2023

Finance, Information, and Services	NAICS Code	Notices			
		2021	2022	2023	Total
Publishing Industries (except Internet)	511	30	20	19	69
Publishing Industries	513	0	0	1	1
Telecommunications	517	12	22	8	42
Data Processing, Hosting, and Related Services	518	13	6	1	20
Other Information Services	519	0	3	6	9
Credit Intermediation and Related Activities	522	2	1	0	3
Securities, Commodity Contracts, and Other Financial Investments and Related Activities	523	3	2	6	11
Insurance Carriers and Related Activities	524	8	4	3	15
Real Estate	531	5	6	8	19
Rental and Leasing Services	532	2	1	0	3
Professional, Scientific, and Technical Services	541	57	66	53	176
Management of Companies and Enterprises	551	8	2	4	14
Administrative and Support Services	561	1	6	0	7
Waste Management and Remediation Services	562	0	0	1	1
Educational Services	611	4	3	1	8
Ambulatory Health Care Services	621	2	1	1	4
Hospitals	622	0	5	0	5
Food Services and Drinking Places	722	0	0	1	1
Repair and Maintenance	811	0	1	2	3

Manufacturing Sector

In 2023, the Manufacturing sector accounted for 29 percent or 68 of the 231 non-real estate CFIUS notices. Within Manufacturing, the subsector with the most notices remained Computer and Electronic Product Manufacturing, accounting for 41 percent or 28 notices. The next highest subsector was Machinery Manufacturing, accounting for 19 percent or 13 notices.

Table I-9. Covered Notices from the Manufacturing Sector, 2021-2023

Manufacturing	NAICS Code	Notices			
		2021	2022	2023	Total
Printing and Related Support Activities	323	0	1	1	2
Petroleum and Coal Products Manufacturing	324	2	0	1	3
Chemical Manufacturing	325	13	8	3	24
Plastics and Rubber Products Manufacturing	326	0	3	3	6
Primary Metal Manufacturing	331	3	0	4	7
Fabricated Metal Product Manufacturing	332	3	12	3	18
Machinery Manufacturing	333	7	10	13	30
Computer and Electronic Product Manufacturing	334	25	31	28	83
Electrical Equipment, Appliance, and Component Manufacturing	335	9	3	4	16
Transportation Equipment Manufacturing	336	10	14	8	32
Miscellaneous Manufacturing	339	2	2	0	4

Mining, Utilities, and Construction Sector

In 2023, the Mining, Utilities, and Construction sector accounted for 11 percent or 26 notices of the 231 non-real estate CFIUS notices. Within this sector, the Utilities subsector accounted for 88 percent of the sector (23 notices). Three other subsectors had one notice each as shown below in Table I-10.

Table I-10. Covered Notices from the Mining, Utilities, and Construction Sector 2021-2023

Mining, Utilities, and Construction	NAICS Code	Notices			
		2021	2022	2023	Total
Crop Production	111	0	0	1	1
Support Activities for Agriculture and Forestry	115	0	3	1	4
Oil and Gas Extraction	211	0	3	0	3
Mining (except Oil and Gas)	212	0	1	0	1
Utilities	221	31	24	23	78
Heavy and Civil Engineering Construction	237	1	2	0	3
Specialty Trade Contractors	238	1	3	1	5

Wholesale Trade, Retail Trade, and Transportation Sector

In 2023, the Wholesale Trade, Retail Trade, and Transportation sector accounted for just under 10 percent or 22 of the 231 non-real estate CFIUS notices. Within this sector, Support Activities for Transportation remained the largest subsector, accounting for 55 percent or 12 notices. The next highest subsector in 2023 was Merchant Wholesalers, Durable Goods with 32 percent or seven notices.

Table I-11. Covered Notices from the Wholesale Trade, Retail Trade, Transportation Sector, 2021-2023

Wholesale Trade, Retail Trade, and Transportation	NAICS Code	Notices			
		2021	2022	2023	Total
Merchant Wholesalers, Durable Goods	423	3	5	7	15
Merchant Wholesalers, Nondurable Goods	424	0	2	1	3
Clothing, Clothing Accessories, Shoe, and Jewelry Retailers	458	0	0	1	1
Air Transportation	481	3	1	0	4
Rail Transportation	482	0	1	0	1
Pipeline Transportation	486	0	0	1	1
Support Activities for Transportation	488	6	7	12	25

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Covered Transaction Notices by Business Sector of U.S. Companies, 2021-2023

Table I-12 on the following pages provides a breakdown by subsector and by the three most recent reporting years for the covered transaction notices cumulatively filed with CFIUS from 2021 through 2023.

Table I-12. Covered Transaction Notices by Business Sector of U.S. Companies, 2021-2023

Business Sector	4-Digit NAICS	Covered Transaction Notices			
		2021	2022	2023	Total
Oilseed and Grain Farming	1111	0	0	1	1
Support Activities for Forestry	1153	0	3	1	4
Oil and Gas Extraction	2111	0	3	0	3
Nonmetallic Mineral Mining and Quarrying	2123	0	1	0	1
Electric Power Generation, Transmission and Distribution	2211	30	24	20	74
Natural Gas Distribution	2212	0	0	1	1
Water, Sewage and Other Systems	2213	1	0	2	3
Utility System Construction	2371	1	2	0	3
Building Equipment Contractors	2382	1	3	1	5
Printing and Related Support Activities	3231	0	1	1	2
Petroleum and Coal Products Manufacturing	3241	2	0	1	3
Basic Chemical Manufacturing	3251	1	2	1	4
Resin, Synthetic Rubber, and Artificial Synthetic Fibers and Filaments Manufacturing	3252	8	0	0	8
Pharmaceutical and Medicine Manufacturing	3254	3	6	0	9
Other Chemical Product and Preparation Manufacturing	3259	1	0	2	3
Plastics Product Manufacturing	3261	0	1	2	3
Rubber Product Manufacturing	3262	0	2	1	3
Steel Product Manufacturing from Purchased Steel	3312	2	0	0	2
Alumina and Aluminum Production and Processing	3313	0	0	3	3
Nonferrous Metal (except Aluminum) Production and Processing	3314	0	0	1	1
Foundries	3315	1	0	0	1
Forging and Stamping	3321	0	4	1	5
Architectural and Structural Metals Manufacturing	3323	0	1	0	1
Boiler, Tank, and Shipping Container Manufacturing	3324	0	0	1	1
Machine Shops; Turned Product; and Screw, Nut, and Bolt Manufacturing	3327	0	2	0	2
Coating, Engraving, Heat Treating, and Allied Activities	3328	0	2	1	3
Other Fabricated Metal Product Manufacturing	3329	3	3	0	6
Agriculture, Construction, and Mining Machinery Manufacturing	3331	0	0	1	1
Industrial Machinery Manufacturing	3332	0	5	2	7
Commercial and Service Industry Machinery Manufacturing	3333	4	2	2	8
Ventilation, Heating, Air-Conditioning, and Commercial Refrigeration Equipment Manufacturing	3334	1	1	0	2
Metalworking Machinery Manufacturing	3335	0	1	0	1

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Business Sector	4-Digit NAICS	Covered Transaction Notices			
		2021	2022	2023	Total
Engine, Turbine, and Power Transmission Equipment Manufacturing	3336	2	0	1	3
Other General Purpose Machinery Manufacturing	3339	1	1	6	8
Computer and Peripheral Equipment Manufacturing	3341	5	0	0	5
Communications Equipment Manufacturing	3342	3	5	7	15
Semiconductor and Other Electronic Component Manufacturing	3344	9	14	16	39
Navigational, Measuring, Electromedical, and Control Instruments Manufacturing	3345	8	12	4	24
Manufacturing and Reproducing Magnetic and Optical Media	3346	0	0	1	1
Electrical Equipment Manufacturing	3353	1	2	2	5
Other Electrical Equipment and Component Manufacturing	3359	8	1	2	11
Motor Vehicle Manufacturing	3361	2	2	1	5
Motor Vehicle Parts Manufacturing	3363	0	1	2	3
Aerospace Product and Parts Manufacturing	3364	8	10	4	22
Ship and Boat Building	3366	0	0	1	1
Other Transportation Equipment Manufacturing	3369	0	1	0	1
Medical Equipment and Supplies Manufacturing	3391	1	0	0	1
Other Miscellaneous Manufacturing	3399	1	2	0	3
Professional and Commercial Equipment and Supplies Merchant Wholesalers	4234	0	1	2	3
Metal and Mineral (except Petroleum) Merchant Wholesalers	4235	1	0	0	1
Household Appliances and Electrical and Electronic Goods Merchant Wholesalers	4236	2	2	1	5
Machinery, Equipment, and Supplies Merchant Wholesalers	4238	0	0	3	3
Miscellaneous Durable Goods Merchant Wholesalers	4239	0	2	1	3
Drugs and Druggists' Sundries Merchant Wholesalers	4242	0	1	0	1
Farm Product Raw Material Merchant Wholesalers	4245	0	1	0	1
Chemical and Allied Products Merchant Wholesalers	4246	0	0	1	1
Clothing and Clothing Accessories Retailers	4581	0	0	1	1
Nonscheduled Air Transportation	4812	3	1	0	4
Rail Transportation	4821	0	1	0	1
Pipeline Transportation of Natural Gas	4862	0	0	1	1
Support Activities for Air Transportation	4881	1	2	1	4
Support Activities for Rail Transportation	4882	0	1	0	1
Support Activities for Water Transportation	4883	0	1	5	6
Support Activities for Road Transportation	4884	1	2	0	3
Freight Transportation Arrangement	4885	4	1	5	10
Other Support Activities for Transportation	4889	0	0	1	1
Newspaper, Periodical, Book, and Directory Publishers	5111	3	0	0	3
Software Publishers	5112	27	20	19	66
Software Publishers	5132	0	0	1	1
Wired Telecommunications Carriers	5171	0	0	3	3
Wired and Wireless Telecommunications Carriers	5173	7	10	1	18

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Business Sector	4-Digit NAICS	Covered Transaction Notices			
		2021	2022	2023	Total
Satellite Telecommunications	5174	5	9	1	15
Other Telecommunications	5179	0	3	3	6
Data Processing, Hosting, and Related Services	5182	13	6	1	20
Other Information Services	5191	0	3	6	9
Activities Related to Credit Intermediation	5223	2	1	0	3
Securities and Commodity Contracts Intermediation and Brokerage	5231	1	0	2	3
Other Financial Investment Activities	5239	2	2	4	8
Insurance Carriers	5241	5	3	1	9
Agencies, Brokerages, and Other Insurance Related Activities	5242	3	1	2	6
Lessors of Real Estate	5311	5	6	8	19
Automotive Equipment Rental and Leasing	5321	1	1	0	2
Commercial and Industrial Machinery and Equipment Rental and Leasing	5324	1	0	0	1
Accounting, Tax Preparation, Bookkeeping, and Payroll Services	5412	0	1	0	1
Architectural, Engineering, and Related Services	5413	10	8	8	26
Computer Systems Design and Related Services	5415	17	15	11	43
Management, Scientific, and Technical Consulting Services	5416	7	10	7	24
Scientific Research and Development Services	5417	15	26	25	66
Advertising, Public Relations, and Related Services	5418	1	3	1	5
Other Professional, Scientific, and Technical Services	5419	7	3	1	11
Management of Companies and Enterprises	5511	8	2	4	14
Employment Services	5613	1	1	0	2
Business Support Services	5614	0	4	0	4
Investigation and Security Services	5616	0	1	0	1
Waste Treatment and Disposal	5622	0	0	1	1
Elementary and Secondary Schools	6111	1	2	0	3
Business Schools and Computer and Management Training	6114	1	1	0	2
Technical and Trade Schools	6115	1	0	0	1
Other Schools and Instruction	6116	0	0	1	1
Educational Support Services	6117	1	0	0	1
Offices of Physicians	6211	0	0	1	1
Medical and Diagnostic Laboratories	6215	2	0	0	2
Other Ambulatory Health Care Services	6219	0	1	0	1
General Medical and Surgical Hospitals	6221	0	1	0	1
Psychiatric and Substance Abuse Hospitals	6222	0	4	0	4
Special Food Services	7223	0	0	1	1
Electronic and Precision Equipment Repair and Maintenance	8112	0	1	2	3

2. Covered Transaction Notices by Country or Economy, 2021-2023

Table I-13 organizes covered transaction notices from 2021 through 2023 by the acquirer's home country or geographic economy. This table reflects total filing volume, including transactions which were withdrawn and refiled, and does not represent distinct transactions. Additionally, because some covered transactions involve multiple acquirers from different countries or one acquirer with ultimate beneficial ownership from more than one country or economy, the totals in this chart are greater than the total number of covered transactions reviewed by the Committee. In 2023, investors from China filed the highest number of notices, accounting for 14 percent (33 notices) of total notices, followed by investors from the United Arab Emirates at 9 percent (22 notices). Investors from the United Kingdom (19 notices), Singapore (19 notices), and Canada (16 notices) rounded out the top five respectively.¹⁶

For the three-year period from 2021 through 2023, investors from China filed the highest number of notices, accounting for 13.5 percent (115 notices) of total notices, followed by investors from Singapore with 8.4 percent (72 notices) and Canada with 8.1 percent (69 notices). Japan and the United Kingdom round out the top five with 6.5 percent each (56 notices each).

Regarding distinct transactions (i.e., counting only once those transactions that originated as a declaration and were then also filed as a notice, or notices that were refiled), the highest number of notices in 2023 were from investors from Canada, Japan, and the United Kingdom.

Table I-13. Covered Transaction Notices by Acquirer Home Country or Economy, 2021-2023¹⁷

Covered Notices by Acquirer Home Country or Geographic Economy, 2021-2023				
Country/Economy	2021	2022	2023	Total
Australia	4	6	4	14
Austria	3	4	1	8
Azerbaijan	0	0	1	1
Bahrain	0	1	3	4
Belgium	1	1	2	4
Bermuda	0	1	0	1
Brazil	2	3	0	5
British Virgin Islands	1	4	2	7
Canada	30	23	16	69
Cayman Islands	16	10	7	33
Chile	1	1	0	2
China	46	36	33	115
Croatia	0	1	0	1
Czech Republic	3	2	2	7
Denmark	5	2	2	9
Dominican Republic	0	1	0	1
Finland	1	2	0	3

¹⁶ These numbers reflect total filing volume, including transactions which were withdrawn and refiled.

¹⁷ Because some covered transactions involve multiple acquirers from more than one country or economy, the totals in this chart are greater than the total number of covered notices reviewed by the Committee.

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Covered Notices by Acquirer Home Country or Geographic Economy, 2021-2023				
Country/Economy	2021	2022	2023	Total
France	15	14	9	38
Germany	10	13	14	37
Guernsey	4	7	2	13
India	1	3	2	6
Ireland	2	10	4	16
Isle of Man	0	1	0	1
Israel	12	10	8	30
Italy	4	5	4	13
Japan	26	15	15	56
Jersey	2	2	1	5
Kuwait	0	3	1	4
Lebanon	2	0	0	2
Liechtenstein	1	1	1	3
Luxembourg	5	5	6	16
Malta	0	1	0	1
Mauritius	0	1	0	1
Mexico	2	2	0	4
Netherlands	5	1	6	12
New Zealand	0	4	2	6
Norway	2	1	2	5
Portugal	7	4	6	17
Qatar	2	1	1	4
Russia	7	1	0	8
Saudi Arabia	3	4	0	7
Singapore	13	40	19	72
South Africa	1	1	1	3
South Korea	15	16	10	41
Spain	0	4	7	11
Sweden	5	9	7	21
Switzerland	1	1	3	5
Taiwan	4	3	7	14
Thailand	2	2	2	6
Turkey	0	1	0	1
Ukraine	1	1	0	2
United Arab Emirates	0	11	22	33
United Kingdom	14	23	19	56

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Table I-14 shows the geographic concentration of the total volume of notices in each of the four previously listed industry sectors for the period from 2021 to 2023.

Table I-14. Covered Transaction Notices by Acquirer Home Country or Economy and Target Sector, 2021-2023^{18 19}

Covered Notices by Acquirer Home Country or Geographic Economy, by Target Sector, 2021-2023					
Country/Economy	Finance, Information and Services	Manufacturing	Mining, Utilities and Construction	Wholesale Trade, Retail Trade and Transportation	Total
Australia	9	1	3	1	14
Austria	2	6	0	0	8
Azerbaijan	1	0	0	0	1
Bahrain	4	0	0	0	4
Belgium	2	1	1	0	4
Bermuda	1	0	0	0	1
Brazil	3	1	1	0	5
British Virgin Islands	3	0	3	0	6
Canada	32	11	18	6	67
Cayman Islands	29	3	1	0	33
Chile	1	1	0	0	2
China	79	25	4	7	115
Croatia	1	0	0	0	1
Czech Republic	2	4	0	1	7
Denmark	1	1	6	1	9
Dominican Republic	1	0	0	0	1
Finland	0	2	1	0	3
France	15	13	5	5	38
Germany	13	16	7	1	37
Guernsey	10	3	0	0	13
India	4	2	0	0	6
Ireland	12	4	0	0	16
Isle Of Man	0	0	0	1	1
Israel	8	10	11	0	29
Italy	4	9	0	0	13
Japan	20	22	8	6	56
Jersey	2	3	0	0	5
Kuwait	3	0	0	1	4
Lebanon	0	2	0	0	2
Liechtenstein	2	1	0	0	3

¹⁸ Does not include real estate notices filed under 31 C.F.R. part 802.

¹⁹ Because some covered transactions involve multiple acquirers from more than one country or economy, the totals in this chart are greater than the total number of covered notices reviewed by the Committee.

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Covered Notices by Acquirer Home Country or Geographic Economy, by Target Sector, 2021-2023					
Country/Economy	Finance, Information and Services	Manufacturing	Mining, Utilities and Construction	Wholesale Trade, Retail Trade and Transportation	Total
Luxembourg	7	7	2	0	16
Malta	1	0	0	0	1
Mauritius	0	1	0	0	1
Mexico	2	2	0	0	4
Netherlands	5	4	2	1	12
New Zealand	2	3	1	0	6
Norway	1	4	0	0	5
Portugal	0	0	14	0	14
Qatar	1	2	1	0	4
Russia	4	4	0	0	8
Saudi Arabia	5	2	0	0	7
Singapore	54	8	2	8	72
South Africa	1	2	0	0	3
South Korea	21	15	3	2	41
Spain	5	4	1	1	11
Sweden	13	7	1	0	21
Switzerland	1	3	0	1	5
Taiwan	3	8	0	2	13
Thailand	2	1	3	0	6
Ukraine	0	0	0	2	2
United Arab Emirates	26	3	2	2	33
United Kingdom	32	17	2	5	56

E. Withdrawn Notices

Parties may withdraw a notice after acceptance by the Committee only if the Committee approves a written request for withdrawal from the parties. Over time, parties have requested withdrawals for a number of reasons. For example, in some cases in which the parties are unable to address all of the Committee's outstanding national security concerns within the initial review phase or subsequent investigation period, the parties might request to withdraw and refile their notice to provide themselves with additional time to answer questions or to attempt to resolve the Committee's national security concerns via a mitigation agreement. In other cases, the parties might request to withdraw and refile their notice because a material change in the terms of the transaction warrants the filing of a new notice. In still other cases, the parties might request to withdraw their notice because they are abandoning the transaction for commercial reasons, because the parties do not want to agree to CFIUS's proposed mitigation, or in light of a CFIUS determination to refer the matter to the President. The Committee has established processes to track, when appropriate, the status of a withdrawn transaction or impose interim protections (pending abandonment or other disposition) to address specific national security concerns identified during the review or investigation of the withdrawn transaction.

In 2023, CFIUS approved the withdrawal of 57 notices. Parties withdrew all 57 notices after the commencement of the investigation period. In 43 of these instances, the parties filed a new notice in either 2023 (34 notices refiled) or 2024 (eight notices refiled). In one separate instance, Treasury filed an agency notice after parties declined to refile a rejected notice. In most instances, the notices were withdrawn after the Committee informed the parties that the transaction posed a national security risk to allow the parties additional time to consider CFIUS's mitigation terms.²⁰

In nine of these instances, the parties withdrew their notice and abandoned their transaction after either CFIUS informed them that it was unable to identify mitigation measures that would resolve the national security risk posed by the transaction, or the Committee proposed mitigation measures that the parties chose not to accept. In five instances, the parties withdrew their notice and abandoned the transaction due to commercial reasons.

As noted above, the number of withdrawals is a function of the specific facts and circumstances of the particular transactions reviewed by the Committee.

²⁰ See subsection I-F for further details on mitigation measures.

F. Mitigation Measures and Conditions

Section 721(l) authorizes CFIUS to negotiate, enter into or impose, and enforce any agreement or condition with any party to the covered transaction in order to mitigate any risk to the national security of the United States that arises as a result of the covered transaction. The Committee may use measures to mitigate national security risks both in cases for which CFIUS concludes action (i.e., clears the transaction) and in cases for which a party to the transaction has voluntarily chosen to abandon the transaction. In 2023, CFIUS adopted mitigation measures and conditions in 43 instances (approximately 18 percent of the total number of 2023 notices):

- CFIUS concluded action after adopting mitigation agreements or orders with respect to 35 notices of covered transactions (approximately 21 percent of the distinct 2023 notices). Six agencies served as the U.S. Government signatories to these agreements.
- CFIUS entered into a mitigation agreement to address residual national security concerns with respect to one transaction after parties voluntarily withdrew their notice and abandoned the transaction. Two agencies served as the U.S. Government signatories to this agreement.
 - Separately, in letters from the Committee granting the withdrawal and abandonment for six notices, conditions were imposed.
- Measures were imposed to mitigate interim risk with respect to one notice filed in 2023. This notice was subsequently voluntarily withdrawn and abandoned.

CFIUS monitoring agencies actively monitor transaction parties' compliance with risk mitigation measures that CFIUS adopts under Section 721. Committee member agencies have adopted practices and procedures to oversee, track, and evaluate parties' compliance and assess whether mitigation terms should be amended or are no longer necessary to mitigate the national security risk. For all mitigation measures and conditions executed since the Foreign Investment and National Security Act of 2007 (FINSA) became effective, Treasury, as Chair of CFIUS, has designated at least one CFIUS member agency as a CFIUS Monitoring Agency (CMA) responsible for monitoring compliance with such measures and conditions. Since 2019, Treasury has designated itself and at least one other member agency as CMAs. CMAs carry out their monitoring responsibilities on behalf of the Committee and report material developments back to the Committee. As described below, all CMAs have implemented practices and processes to carry out their compliance monitoring responsibilities.

Mitigation measures and conditions negotiated and adopted in 2023 required relevant transaction parties to take specific and verifiable actions, including, for example:

- prohibiting or limiting the transfer or sharing of certain intellectual property, trade secrets, assets, or technical information;
- establishing guidelines and terms for handling existing or future contracts with the U.S. Government or its contractors, U.S. Government customer information, and other sensitive information;
- ensuring that only authorized persons have access to certain technology, systems, facilities, projects, or sensitive information;
- ensuring that computer networks are segregated;
- destroying sensitive information;
- ensuring that certain facilities, equipment, and operations are located only in the United States;

- requiring prior notification to and non-objection by the U.S. Government regarding changes to data storage locations;
- restricting the hiring of certain personnel;
- establishing a corporate security committee, voting trust, and other mechanisms to limit foreign influence and ensure compliance, including the appointment of a U.S. Government-approved security officer, member of the board of directors, or board observer, and requirements for security policies, communications policies, annual reports, and independent audits;
- notification and approval of security officers, third party monitors, or relevant U.S. Government parties in advance of visits to the U.S. business by foreign nationals;
- ensuring that potential conflicts of interest involving third-party monitors, third-party auditors, security officers, and security directors do not arise or are disclosed to the CMAs;
- establishing processes to review and approve contracts involving third parties before granting access to systems or data;
- notifying the U.S. Government prior to entering into agreements to collaborate with persons in certain countries;
- security protocols to ensure the integrity of products or software sold to the U.S. Government, directly or indirectly;
- notifying customers or relevant U.S. Government parties when there is a change of ownership in the U.S. business;
- ensuring that businesses notify customers regarding the identity of ultimate beneficial owners;
- assurances of continuity of supply to the U.S. Government for defined periods, notification and consultation prior to taking certain business decisions, and reservation of certain rights for the U.S. Government in the event that the company decides to exit a business line;
- establishing meetings to discuss business plans that might affect U.S. Government supply or raise national security considerations;
- ensuring that only authorized vendors supply certain products or services;
- requiring prior notification to and approval by relevant U.S. Government parties in connection with any increase in ownership or rights by the foreign acquirer; and
- requiring divestiture by the foreign acquirer of all or part of the U.S. business.²¹

Depending on the risks arising from the transaction, CMAs use a variety of tools to monitor and enforce compliance by the companies that are subject to mitigation measures, including:

- periodic reporting to CMAs by the companies;
- required reporting to the CMAs of actual or suspected violations;
- required responses to CMA requests for information;
- regular communication with embedded security and compliance personnel and third party monitors;
- on-site or virtual compliance reviews by CMAs;
- third-party audits; and

²¹ Divestiture of all of a U.S. business is an option parties may agree to in lieu of a referral to the President and is typically effectuated through a withdrawal of the notice and abandonment of the transaction. For this reason, such divestitures are not included in data on cases where CFIUS concluded all action after adopting a mitigation agreement.

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- investigations and remedial actions if anomalies or breaches are discovered or suspected, including recommending that the Committee impose penalties or unilaterally initiate another review of the covered transaction, where appropriate.

Due to the number and complexity of mitigation measures and conditions implemented to date, as a general matter, individual CMAs monitor compliance through various practices and procedures, both internal and cross-agency, including:

- ensuring that they have adequate staff resources to effectively carry out their compliance monitoring responsibility including hiring appropriate subject matter experts;
- developing and implementing standard operating procedures;
- maintaining case files in accordance with Federal recordkeeping requirements and best practices;
- developing and implementing internal and interagency case management and tracking systems; and
- instituting internal instructions and procedures for drawing on in-house expertise to identify and analyze compliance issues.

G. Perceived Adverse Effects of Covered Transactions

Section 721(m) requires that this Annual Report include a detailed discussion of all perceived adverse effects of covered transactions on the national security or critical infrastructure of the United States that the Committee will take into account in its deliberations during the period before delivery of the next report, to the extent possible. In reviewing a covered transaction, CFIUS evaluates all relevant national security considerations identified by its member agencies during the pendency of the case and does not conclude action on a covered transactions if there are unresolved national security concerns.

As discussed in the Guidance Concerning the National Security Review Conducted by CFIUS, which CFIUS published in the Federal Register on December 8, 2008²², and which remains relevant for the reporting of this Report, the transactions that CFIUS has thus far reviewed continue to present a broad range of national security considerations. CFIUS examines the national security considerations to determine whether, in light of the specific facts and circumstances related to the transaction, the transaction would adversely affect national security and pose a national security risk. Among the considerations presented by transactions reviewed by CFIUS are the following:

Covered control transactions or covered investments in U.S. businesses that:

- provide products or services to an agency or agencies of the U.S. Government, or state and local authorities that have functions that are relevant to national security;
- provide products or services that could expose national security vulnerabilities, including potential cyber security concerns, or create vulnerability to sabotage or espionage. This includes consideration of whether the covered transaction will increase the risk of exploitation of the particular U.S. business's position in the supply chain;
- have operations, or produce or supply products or services, the security of which may have implications for U.S. national security, such as businesses potentially involving critical infrastructure; businesses that involve various aspects of energy production, including extraction, generation, transmission, and distribution; businesses that affect the national transportation system; businesses providing telecommunications systems or information technology infrastructure; and businesses that could significantly and directly affect the U.S. financial system;
- have access to classified information or sensitive government or government contract information, including information about employees;
- participate in the defense, security, and national security-related law enforcement sectors, including activities related to weapons and munitions manufacturing, aerospace, satellite, and radar systems;
- produce certain types of advanced technologies that may be useful in defending, or in seeking to impair, U.S. national security, which may include businesses engaged in the design and production of equipment or components that have both commercial and military applications. Such transactions have included, for example, businesses engaged in the design, production, or provision of goods and services involving cybersecurity, network, and data security. They have also included businesses that produce semiconductor manufacturing equipment, design integrated circuits, and fabricate integrated circuits, in light of the fact that semiconductors are enabling technology for a range of national security critical devices, systems, and functions. They have also included businesses that are in the biotechnology sector, given the potential military

²² See 73 Fed. Reg. 74567 (Dec. 8, 2008).

applications of such technology and the sensitivity of the information such companies may collect;

- engage in the research and development, production, or sale of technology, goods, software, or services that are subject to U.S. export controls;
- maintain access or insight into sensitive systems, networks, or databases that could be subject to cyber-attack or exploitation;
- are in a field with significant national security implications where there are few alternative suppliers or where a loss in U.S. technological competitiveness would be detrimental to national security;
- with respect to the various technologies described above, could facilitate their transfer to third parties not directly related to the buyer, to the detriment of national security;
- have operations or facilities that are in proximity to military or other sensitive U.S. Government facilities;
- have access to potentially sensitive data about U.S. persons, such as health or biological data, that could be exploited in a manner that threatens U.S. national security, and have access to data about businesses that have national security importance; and/or
- otherwise facilitate foreign intelligence collection against U.S. targets.

Foreign acquisition of U.S. real estate that:

- is in proximity to military or other sensitive U.S. Government facilities, or airports or maritime ports.

Acquisitions or investments by foreign persons that:

- are controlled by a foreign government;
- are from a country with a record on nonproliferation and other national security-related matters that raises concerns;
- make multiple acquisitions or investments in a single sector or in a supply chain with national security implications, including raw materials research and development for relevant technologies, tools and equipment, and manufacturing capabilities;
- have demonstrated intent and capability to impair U.S. national security, or;
- have significant ties to third parties who might take actions that could impair U.S. national security; and/or
- have a history of doing business in sanctioned countries.

CFIUS reviews all relevant national security considerations and the particular facts and circumstances of a transaction to determine whether the transaction will pose a national security risk. Among the factors that CFIUS takes into account are the following, listed in Section 721(f):

- (1) domestic production needed for projected national defense requirements;
- (2) the capability and capacity of domestic industries to meet national defense requirements, including the availability of human resources, products, technology, materials, and other supplies and services;
- (3) the control of domestic industries and commercial activity by foreign citizens as it affects the capability and capacity of the United States to meet the requirements of national security;
- (4) The potential effects of the proposed or pending transaction on sales of military goods, equipment, or technology to any country –

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- (a) Identified by the Secretary of State²³ --
 - (i) Under section 6(j) of the Export Administration Act of 1979, as a country that supports terrorism;
 - (ii) Under section 6(l) of the Export Administration Act of 1979, as a country of concern regarding missile proliferation; or
 - (iii) Under section 6(m) of the Export Administration Act of 1979, as a country of concern regarding the proliferation of chemical and biological weapons;
- (b) Identified by the Secretary of Defense as posing a potential regional military threat to the interests of the United States; or
- (c) Listed under section 309(c) of the Nuclear Non-Proliferation Act of 1978 on the “Nuclear Non-Proliferation-Special Country List” (15 C.F.R. part 778, Supplement No. 4) or any successor list;
- (5) The potential effects of the proposed or pending transaction on United States international technological leadership in areas affecting United States national security;
- (6) The potential national security-related effects on United States critical infrastructure, including major energy assets;
- (7) The potential national security-related effects on United States critical technologies;
- (8) Whether the covered transaction is a foreign government-controlled transaction, as determined under subsection (b)(1)(B) of Section 721;
- (9) As appropriate, and particularly with respect to transactions requiring an investigation under subsection (b)(1)(B) of Section 721, a review of the current assessment of:
 - (a) The adherence of the subject country to nonproliferation control regimes, including treaties and multilateral supply guidelines, which shall draw on, but not be limited to, the annual report on “Adherence to and Compliance with Arms Control, Nonproliferation and Disarmament Agreements and Commitments,” required by section 403 of the Arms Control and Disarmament Act;
 - (b) The relationship of such country with the United States, specifically on its record on cooperating in counter-terrorism efforts, which shall draw on, but not be limited to, the report of the President to Congress under section 7120 of the Intelligence Reform and Terrorism Prevention Act of 2004 [unclassified]; and
 - (c) The potential for transshipment or diversion of technologies with military applications, including an analysis of national export control laws and regulations;
- (10) The long-term projection of United States requirements for sources of energy and other critical resources and materials; and
- (11) Such other factors as the President or the Committee may determine to be appropriate, generally or in connection with a specific review or investigation.

Additionally, Executive Order 14083 (September 15, 2022) elaborates and expands on the existing list of factors, outlined above, that CFIUS considers when reviewing transactions for national security risks and describes the potential national security implications in key areas, namely: supply chain resiliency and security, the effects of a transaction on technological leadership in areas affecting national security, aggregate industry investment trends, cybersecurity, and sensitive data.

²³ While the Export Administration Act of 1979 was repealed and replaced with the Export Control Act of 2018, CFIUS continues to take into account the same national security factors identified under Section 721(f) of the Defense Production Act as reflected in the currently applicable successor laws.

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In future reporting periods, CFIUS will continue to take into account these national security considerations and to consider whether the transactions may have had the above-listed or any other adverse effects.

H. Compliance Plans and Assessment of Compliance with Mitigation Agreements and Conditions

Section 721(m) directs the Committee to report statistics on compliance plans conducted and actions taken by the Committee under subsection (l)(6) of Section 721, including subparagraph (D) of that subsection, during that period, a general assessment of the compliance of parties with agreements entered into and conditions imposed under subsection (l)(3)(A) of Section 721 that are in effect during that period, including a description of any actions taken by the Committee to impose penalties or initiate a unilateral review pursuant to subsection (b)(1)(D)(iii) of Section 721, and any recommendations for improving the enforcement of such agreements and conditions.

The Committee is currently monitoring, as of 2023 year-end, 246 mitigation agreements and conditions. In 2023, 20 mitigation agreements and conditions were modified materially, of which 15 were terminated. All 36 mitigation agreements that were entered into for transactions filed in 2023 have compliance plans as required under subsection (l)(6)(C) of Section 721.²⁴

For each of the agreements monitored by the Committee in 2023, the monitoring agencies actively worked to oversee compliance with the agreement. As discussed above in Section I-F, CFIUS's monitoring activities have included conducting on-site compliance inspections; reviewing regular and ad hoc reporting from transaction parties and third parties; investigating potential violations; and overseeing remedial action, as appropriate. Where appropriate, CFIUS leverages the skills and expertise of designated personnel of the transaction parties and third-party auditors and monitors to ensure continuous and effective monitoring.

CMAs conducted 43 site visits in 2023, which entailed compliance-focused interviews with senior executives and line-level personnel, records checks, physical security assessments, among other activities. Where monitoring agencies identified instances of noncompliance in mitigation agreements and conditions, they assessed the noncompliance and pursued prompt remediation and determined whether a civil monetary penalty was appropriate, consistent with the CFIUS Penalty and Enforcement Guidelines. Many instances of noncompliance do not result in a penalty. However, the Committee assessed four civil monetary penalties in 2023 for breaches of material provisions in mitigation agreements, double the number of penalties issued in CFIUS's nearly 50-year history. CFIUS will continue to assess noncompliance on a case-by-case basis as it evaluates whether civil penalties should be assessed or if measures to address national security risk should be implemented.

In 2023, the Committee undertook several investigations with respect to ensuring compliance with CFIUS's mandatory filing requirements under 31 C.F.R. § 800.401, some of which resulted in issuing formal determinations of noncompliance. While these matters did not result in penalties after CFIUS considered the specific facts and circumstances, these matters informed Treasury's decision to issue clarifying guidance on how the Committee considers a transaction's "completion date" for this purpose. In 2023, the Committee received its first "voluntary self-disclosure" of a potential failure to file a mandatory declaration.

²⁴ Section 721(l)(6)(C) provides, "In the case of a covered transaction with respect to which an agreement is entered into under paragraph (3)(A), the Committee or lead agency, as the case may be, shall formulate, adhere to, and keep updated a plan for monitoring compliance with the agreement."

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CFIUS continually seeks to improve compliance and accountability. To that end, CFIUS, led by Treasury, has actively engaged with parties subject to mitigation agreements or conditions, with independent third-party auditors and monitors, and with legal practitioners and other stakeholders to better deter and prevent – or, where needed, identify and address – intentional and inadvertent instances of noncompliance. In 2023, CFIUS member agencies increased investment in both its monitoring and enforcement efforts, substantially building out processes and procedures to promote deterrence and accountability and devoting additional staff resources to compliance monitoring and enforcement activities.

I. Non-Notified Transactions

CFIUS used various methods in 2023 to identify non-notified and non-declared transactions, including interagency referrals, tips from the public, classified reporting, media reports, voluntary self-disclosures, congressional notifications, and multiple commercial and proprietary databases.

CFIUS continues to identify potential methods to enhance the identification of non-notified and non-declared transactions including continued hiring of dedicated staff, identification and evaluation of additional commercial tools and datasets, and increased training and attention of existing staff across CFIUS member agencies to further coordination and effective identification of transactions to pursue. All of these efforts have improved the sophistication of the Committee's approach to launching inquiries and working through other channels to detect and assess national security issues posed by foreign investment. Transactions that originate through the non-notified process remain among the most complicated that CFIUS considers, and often require mitigation measures to address national security risks.

In 2023, the Committee – including individual member agencies – identified and considered thousands of potential non-notified transactions and investigated the matters to determine which to open as official inquiries. In 2023, Treasury opened non-notified inquiries for 60 transactions and the Committee formally requested filings for 13 transactions. The numbers above do not reflect instances where the parties in receipt of non-notified-related outreach voluntarily filed a declaration or notice prior to receiving a formal request; in 2023, there were three such instances.

J. Committee Hiring

Following the Committee's implementation of FIRRMA, all CFIUS member agencies designated an Assistant Secretary, or an equivalent official, who is appointed by the President, by and with the advice and consent of the Senate, to carry out such Committee duties as the member of the Committee may retain or delegate.

The Committee also continues to implement special hiring authority pursuant to subsection (k)(4)(B). The interagency focus on hiring has included posting job announcements, participating in university recruitment programs, and utilizing direct hire authority to attract qualified candidates with transferrable skills and at various levels from a variety of relevant backgrounds.

In addition to increasing the number of case officers dedicated to reviews and investigations of covered transactions, Treasury has also worked to enhance its teams dedicated to other functions such as non-notified and non-declared transactions, monitoring and enforcement, collaboration with international partners and allies, and investment security policy. Treasury's Office of Investment Security has made significant progress in growing its staff commensurate with the increased workload of the Committee across all functions since the passage of FIRRMA.

SECTION II: CRITICAL TECHNOLOGIES

Introduction

This section of the Annual Report has been prepared in accordance with Section 721(m)(3), which requires:

“(A) an evaluation of whether there is credible evidence of a coordinated strategy by one or more countries or companies to acquire United States companies involved in research, development, or production of critical technologies for which the United States is a leading producer;

(B) an evaluation of whether there are industrial espionage activities directed or directly assisted by foreign government against private United States companies aimed at obtaining commercial secrets related to critical technologies; and

(C) a description of the technologies recommended by the chairperson under subsection (a)(6)(B) of Section 721 for identification under the interagency process set forth in section 1758(a) of the Export Control Reform Act of 2018.”

Definitions & Methodologies

For subsection II-A, CFIUS provides the U.S. Intelligence Community (IC) with a list of transactions involving one or more critical technologies each year that the IC analyzes to determine which transactions, if any, meet this Report’s definition of a coordinated strategy. The definition of “critical technologies” is set forth in 31 C.F.R. § 800.215. See the Appendix for this definition. “Critical technology companies” are U.S. companies that CFIUS identified for this section of the Report involved in research, development, or production of critical technologies. The Appendix also provides the approach used to conduct the analyses required by Section 721 as it relates to critical technologies. Finally, the Appendix lists the agencies and other entities that participated in preparing this section of the Report.

A. Whether There is Credible Evidence of a Coordinated Strategy to Acquire Critical Technology Companies

1. Key Judgments

A meaningful summary of the IC assessment cannot be provided on an unclassified basis. However, the IC considered the unclassified data included in this section in conducting its analysis.

2. M&A Activity Involving U.S. Critical Technology Companies

Using the methodology described in the Appendix, CFIUS reviewed 153 covered transactions involving acquisitions of U.S. critical technology companies in 2023. This number reflects the total volume of cases involving critical technology companies and does not account for transactions that were refiled or originated as declarations. CFIUS agencies and the IC evaluated all relevant transactions for indications of a coordinated strategy, as defined for this Report, to acquire U.S. critical technologies.

3. Frequency of Activity by Countries and Companies

Table II-1 lists the originating countries for acquisition of U.S. critical technology companies reviewed by CFIUS in 2023. This table reflects total filing volume, including transactions which were withdrawn and refiled, and does not represent distinct transactions.

Table II-1: Foreign Acquirers of U.S. Critical Technology in 2023 Covered Transactions²⁵

Country/Economy	2023 Critical Technology Transactions (Notices and Declarations)
Canada	14
United Kingdom	14
Germany	12
Japan	12
South Korea	12
France	10
China	7
Luxembourg	7
Sweden	7
Cayman Islands	5
Ireland	5
Singapore	5
United Arab Emirates	5
Australia	4
Israel	4
Netherlands	4
Norway	4
Czech Republic	3
Italy	3
Spain	3
Taiwan	3
Guernsey	2
Jersey	2
Switzerland	2
Azerbaijan	1
Belgium	1
Denmark	1
India	1
Kuwait	1
Malaysia	1

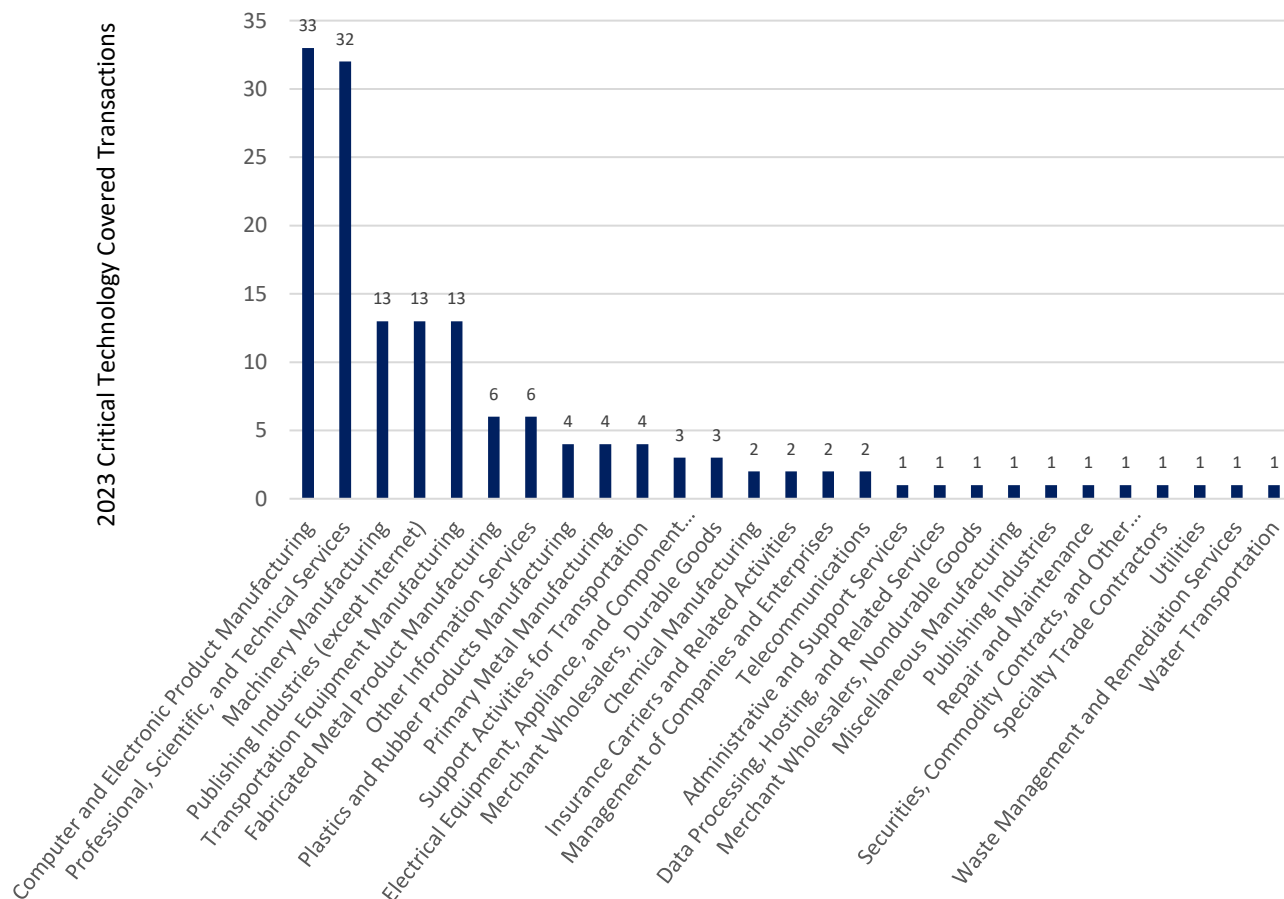
²⁵ Because some covered transactions involve multiple acquirers from more than one country or economy, the totals in this chart are greater than the total number of covered transactions involving critical technologies reviewed by the Committee.

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Country/Economy	2023 Critical Technology Transactions (Notices and Declarations)
Mauritius	1
Saudi Arabia	1
Thailand	1
Vietnam	1

As shown in Figure II-1 below, the largest number of CFIUS cases involving U.S. critical technology companies in 2023 involved foreign acquisitions of U.S. companies in the Computer and Electronic Product Manufacturing sector.

Figure II-1. Critical Technology Transactions by Sector of U.S. Target Company, 2023



B. Whether Foreign Governments Used Espionage Activities to Obtain Commercial Secrets Related to Critical Technologies

1. Key Finding

The IC judges that foreign governments are extremely likely to use a range of collection methods to obtain critical U.S. technologies.

According to the Office of the Director of National Intelligence's (ODNI) 2024 Annual Threat Assessment and the 2018 National Counterintelligence and Security Center Report to Congress, foreign economic, industrial, and cyber espionage by foreign actors like China, Russia, Iran, and North Korea against the United States continues to represent a significant threat to U.S. prosperity, security, and competitive advantage. Foreign intelligence services and threat actors working on their behalf continue to represent the most persistent and pervasive cyber intelligence threat tied to economic espionage and the potential theft of U.S. trade secrets and proprietary information. Countries with closer ties to the United States have also conducted cyber espionage and other forms of intelligence collection to obtain U.S. technology. Federal research institutions, universities, and corporations are regularly targeted by cyber actors seeking proprietary information.

SECTION III: FOREIGN DIRECT INVESTMENT IN THE UNITED STATES BY COUNTRIES THAT BOYCOTT ISRAEL OR DO NOT BAN TERRORIST ORGANIZATIONS

Introduction

This section of the Annual Report has been prepared in accordance with section 7(c) of FINSA (codified at 50 U.S.C. § 4565 n.), which provides:

(1) STUDY REQUIRED.—Before the end of the 120-day period beginning on the date of enactment of this Act [July 26, 2007] and annually thereafter, the Secretary of the Treasury, in consultation with the Secretary of State and the Secretary of Commerce, shall conduct a study on foreign direct investments in the United States, especially investments in critical infrastructure and industries affecting national security, by—

- (A) foreign governments, entities controlled by or acting on behalf of a foreign government, or persons of foreign countries which comply with any boycott of Israel; or
- (B) foreign governments, entities controlled by or acting on behalf of a foreign government, or persons of foreign countries which do not ban organizations designated by the Secretary of State as foreign terrorist organizations.

(2) REPORT.—Before the end of the 30-day period beginning upon the date of completion of each study under paragraph (1), and thereafter in each annual report under section 721(m) of the Defense Production Act of 1950 [50 U.S.C. 4565(m)] (as added by this section), the Secretary of the Treasury shall submit a report to Congress, for transmittal to all appropriate committees of the Senate and the House of Representatives, containing the findings and conclusions of the Secretary with respect to the study described in paragraph (1), together with an analysis of the effects of such investment on the national security of the United States and on any efforts to address those effects.

A. Summary of Findings and Conclusions of Study

- Mergers with, and acquisitions of, U.S. companies (M&A), the main form of foreign direct investment into the United States, by investors from the countries described in section 7(c)(1) of FINSa that were completed between January 1, 2023 and December 31, 2023 (subject M&A transactions), represent a small percentage of the total number of such foreign direct investment flows into the United States.
- The value of the subject M&A transactions with public reported values was \$10.3 billion. As described in subsection III-C below, not all publicly announced transactions are reported with dollar values, so the actual value of the subject M&A transactions is greater than \$10.3 billion.
- The subject M&A transactions cover several economic sectors.
- With respect to each transaction contained in the study, CFIUS: (i) reviewed and concluded action under Section 721 with no unresolved national security concerns; (ii) previously reviewed and concluded action on a transaction that gave the foreign acquirer control of the same U.S. business; or (iii) reviewed the transaction through procedures that CFIUS and its member agencies follow regarding those transactions that are not notified to CFIUS (non-notified transactions).

B. Study Methodology

1. Identification of Relevant Countries

To identify those countries that complied with any boycott of Israel at any time in 2023, as required by the statute, the Department of the Treasury consulted with the Departments of State and Commerce. In particular, CFIUS examined the “List of Countries Requiring Cooperation with an International Boycott,” published by the Department of the Treasury (pursuant to section 999 of the Internal Revenue Code)²⁶ and reports sent to Congress by the Department of State (pursuant to section 564 of the Foreign Relations Authorization Act, FY 1994-95), and information collected by the Department of Commerce’s Office of Antiboycott Compliance. Based on these sources of information, CFIUS interpreted the reporting requirement under section 7(c)(1)(A) of FINSa to apply to the following countries: Iran, Iraq, Kuwait, Lebanon, Libya, Qatar, Saudi Arabia, Syria, and Yemen.

To identify those countries that did not ban foreign terrorist organizations at any time in 2023, CFIUS interpreted section 7(c)(1)(B) of FINSa to apply to countries certified by the Department of State as “not cooperating fully with United States antiterrorism efforts” (pursuant to section 40A of the Arms Export Control Act, as amended). Those countries were Cuba, the Democratic People’s Republic of Korea (DPRK), Iran, Syria, and Venezuela.²⁷

²⁶ 88 Fed. Reg. 21234 (Apr. 10, 2023), 88 Fed. Reg. 57178 (Aug. 22, 2023), 88 Fed. Reg. 73094 (Oct. 24, 2023).

²⁷ 88 Fed. Reg. 33184 (May 23, 2023).

2. Scope of Foreign Direct Investment

The following types of transactions are included in the study: (i) transactions notified to CFIUS under Section 721; (ii) M&A transactions that were not notified to CFIUS but that its member agencies reviewed through procedures that each agency has adopted for this purpose; and (iii) M&A transactions that resulted in an ownership stake in a U.S. company of at least 10 percent,²⁸ as contained in the *Refinitiv* database, which is a recognized financial database.

Refinitiv database: The transaction information contained in this database includes the date of the transaction, the respective countries of origin of both the acquirer and the target company, and the economic sector of the target company. For most transactions, the database provides the transaction value and the percentage of ownership rights acquired.

CFIUS did not include in the study those transactions listed in the *Refinitiv* database that resulted in an ownership stake in a U.S. company of less than 10 percent, where the percent interest acquired was available.

²⁸ Foreign direct investment is generally understood to imply ownership of at least 10 percent, a benchmark used by many statistical agencies around the world, including the Department of Commerce's Bureau of Economic Analysis, the Council of Economic Advisers (Economic Report of the President), the International Monetary Fund, and the Organization for Economic Cooperation and Development. As noted in the description of the *Refinitiv* database, these sources did not always provide information regarding the acquirer's total ownership stake that it acquired in the U.S. company. Therefore, some of the transactions analyzed in this study may be portfolio investments rather than foreign direct investment.

C. Detailed Findings of Study

1. Identification of the Subject M&A Transactions

The study identified 35 M&A transactions in 2023 involving investors from Kuwait, Lebanon, Qatar, and Saudi Arabia, which are countries that comply with any boycott of Israel.

The study did not identify any M&A transactions in 2023 involving investors from countries identified as not cooperating fully with U.S. antiterrorism efforts.

Thirty of the 35 identified transactions had reported values. The combined value of the reported values is approximately \$10.3 billion. Data sources consulted for this study did not report, and Treasury staff were unable to determine independently, values for five of the 35 transactions analyzed. As a result, the value of the 35 transactions is necessarily greater than \$10.3 billion. Table III-1 shows the number and aggregate value of the transactions for each of the relevant countries.

Table III-1. Aggregate Value of Transactions

Country	2023 Transactions	Known Transaction Value (\$ million)
Kuwait	3	519
Lebanon	1	-
Qatar	7	3,454
Saudi Arabia	24	6,371
Total	35	10,344

The 35 transactions represent several major sectors of the economy. Table III-2 shows the various sectors represented by the 35 transactions, noting both the number and aggregate value of the transactions for each sector. The largest subsector in the Finance, Information, and Services sector – the largest category represented – was Publishing Industries (except Internet), which encompasses software publishing.

Table III-2. Industries Represented

Sector	2023 Transactions	Known Transaction Value (\$ million)
Finance, Information, and Services	22	6,242
Manufacturing	9	894
Mining, Utilities, and Construction	2	2,699
Wholesale Trade, Retail Trade, and Transportation	2	510
Total	35	10,344

2. National Security Effects of the Subject M&A Transactions

Each of the 35 transactions was either formally reviewed by CFIUS pursuant to a voluntary notified transaction or pursuant to procedures followed by CFIUS and its member agencies regarding non-notified transactions. According to these procedures, CFIUS agencies monitor M&A activity and identify those transactions that have not been voluntarily notified to CFIUS, but which may present national security considerations.

If CFIUS believes that a non-notified transaction may raise national security considerations and may also be a covered transaction, CFIUS contacts the parties and requests additional information regarding the transaction. If CFIUS determines, after evaluating this additional information, that the transaction is covered and that it may raise national security considerations, CFIUS requests the parties file a notice. In most instances in which CFIUS has requested additional information regarding a transaction, the parties respond by filing a voluntary notice. However, should the parties decide they will not file a notice after CFIUS requests they do so, any CFIUS agency may initiate a review of the transaction.

APPENDIX

A. Definition of “Critical Technologies”

As applicable to the transactions that are the subject of this Annual Report, 31 C.F.R. part 800, defines “critical technologies” with reference to U.S. export control regulations, as they were determined to be the most reliable and accurate means of identifying critical technologies.

“§ 800.215 Critical technologies.

The term *critical technologies* means:

- (a) Defense articles or defense services covered by the United States Munitions List (USML), which is set forth in the International Traffic in Arms Regulations (ITAR) (22 C.F.R. parts 120-130);
- (b) Those items specified on the Commerce Control List (CCL) set forth in Supplement No. 1 to part 774 of the Export Administration Regulations (EAR) (15 C.F.R. parts 730-774) that are controlled pursuant to multilateral regimes (i.e., for reasons of national security, chemical and biological weapons proliferation, nuclear nonproliferation, or missile technology), as well as those that are controlled for reasons relating to regional stability or surreptitious listening;
- (c) Specially designed and prepared nuclear equipment, parts and components, materials, software, and technology specified in the Assistance to Foreign Atomic Energy Activities regulations (10 C.F.R. part 810);
- (d) Nuclear facilities, equipment, and material specified in the Export and Import of Nuclear Equipment and Materials regulations (10 C.F.R. part 110);
- (e) Select agents and toxins specified in the Select Agents and Toxins regulations (7 C.F.R. part 331, 9 C.F.R. part 121, and 42 C.F.R. part 73); and
- (f) Emerging and foundational technologies controlled pursuant to section 1758 of the Export Control Reform Act of 2018 (50 U.S.C. 4817).”

B. Methodology and Data Sources Used to Assess Foreign Acquisitions of U.S. Critical Technology Companies

The definition of critical technologies contained in 31 C.F.R. 800.215 is specific to the CFIUS regulations. Therefore, for purposes of Section II of this Annual Report, CFIUS agencies responsible for administering U.S. export control regulations analyzed all covered transactions filed with CFIUS in 2023, and their agency's own internal records to identify those U.S. critical technology companies that were acquired by, or received significant investments from, foreign investors in 2023. Because each export control regulation applies to a specific type of critical technology, the amount of information that could be analyzed for Section II of this Annual Report was limited.

31 C.F.R. § 800.215(a): This paragraph pertains to defense articles or defense services covered by the United States Munitions List (USML), which is set forth in the International Traffic in Arms Regulations (ITAR) (22 C.F.R. parts 120-130).

Under the provisions of the ITAR, the Department of State regulates robust registration, licensing, and compliance processes for any person, whether U.S. or foreign, involved in the export or temporary import of a defense article or defense service controlled by the ITAR. This approach enabled the Department of State to identify covered transactions in 2023 involving U.S. critical technology companies that produce defense articles or services covered under the ITAR.

31 C.F.R. § 800.215(b): This paragraph pertains to those items specified on the Department of Commerce's Control List (CCL), which is set forth in Supplement No. 1 to part 774 of the Export Administration Regulations (EAR) (15 C.F.R. parts 730-774). The items on the CCL are controlled pursuant to multilateral regimes (i.e., for reasons of national security, chemical and biological weapons proliferation, nuclear nonproliferation, or missile technology) as well as for reasons relating to regional stability or surreptitious listening.

31 C.F.R. § 800.215(f): This paragraph pertains to emerging and foundational technologies controlled pursuant to section 1758 of the Export Control Reform Act of 2018.

Firms producing items under the regulations specified in paragraph (b) of 31 C.F.R. § 800.215 are not required to register with the Department of Commerce, but, in many cases, must obtain a license from the Department of Commerce to export those items (including “deemed exports” to foreign nationals in the United States). To identify acquisitions of companies producing items that fall under this part of the definition, the Department of Commerce analyzed all covered transactions filed with CFIUS in 2023 and its internal agency records of export license applications and commodity classification requests.

31 C.F.R. § 800.215(c): This paragraph pertains to specially designed and prepared nuclear equipment, parts and components, materials, software, and technology specified in the Assistance to Foreign Atomic Energy Activities regulations (10 C.F.R. part 810).

31 C.F.R. § 800.215(d): This paragraph pertains to nuclear facilities, equipment, and material specified in the Export and Import of Nuclear Equipment and Materials regulations (10 C.F.R. part 110).

The Department of Energy used a similar approach to that adopted by the Department of Commerce. This entailed comparing a list of all covered transactions filed with CFIUS in 2023 against export

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authorizations issued under 10 C.F.R. part 810 and export license requests issued by the Nuclear Regulatory Commission under 10 C.F.R. part 110.

31 C.F.R. § 800.215(e): This paragraph pertains to select agents and toxins specified in the Select Agents and Toxins regulations (7 C.F.R. part 331, 9 C.F.R. part 121, and 42 C.F.R. part 73).

The agents and toxins specified in this paragraph are generally subject to export controls administered by the Department of Commerce. Accordingly, the methodology used by the Department of Commerce would be the same as that described above.

C. Analyzing the Acquisitions of U.S. Critical Technology Companies

CFIUS agencies addressed parts (A) and (B) of Section 721(m)(3) of the Defense Production Act of 1950, as amended, by doing the following:

- Analyzing the pattern of M&A of U.S. critical technology companies during 2023, while also considering transactions in prior years, as appropriate.
 - CFIUS agencies concentrated on foreign direct investment through M&A of companies involved in all critical technologies, regardless of industry.
 - CFIUS agencies did not attempt to evaluate issues relating to other avenues of foreign access to U.S. critical technologies, such as licensing, contracting, or other arrangements that are not M&A transactions.
- Assessing illicit attempts by government intelligence services of major economic competitors to obtain military and dual-use critical technologies.
 - CFIUS agencies did not attempt to evaluate foreign espionage in areas other than dual-use, military, or other U.S. critical technologies, or against companies not headquartered in the United States.
 - In addition, CFIUS agencies reviewed available information about other countries that have historically sought information on critical technologies through the use of those countries' intelligence services.

D. Defining “Coordinated Strategy” for Purposes of Section II of this Annual Report

CFIUS agencies continue to use the following definition of “coordinated strategy:”

A plan of action reflected in directed efforts developed and implemented by a foreign government, in association with one or more foreign companies, to acquire U.S. companies with critical technologies. The efforts of a single company in pursuit of business goals, absent indications of specific government direction, were not considered to be a coordinated strategy. Individual company strategies that encompass such business goals may include: entry into the U.S. market, increased market share, increased sales, access to new technologies, and diversification out of mature industries.

Examples of suspect behaviors that could be evidence of a coordinated strategy include:

- A pattern of actual or attempted acquisitions of U.S. firms by foreign entities;
- Evidence that specific completed or attempted acquisitions of companies with critical technologies had been ordered by foreign governments or foreign government-controlled firms; and
- The provision of narrowly targeted incentives by foreign governments or foreign-controlled firms (e.g., grants, concessionary loans, or tax breaks), especially those that appear to market observers to be disproportionately generous, to acquire U.S. firms with critical technologies.

E. Participating Agencies and Entities - Section II

Department of Commerce

- Bureau of Industry and Security
- International Trade Administration
- National Telecommunications and Information Administration

Department of Energy

- National Nuclear Security Administration
- Nuclear Regulatory Commission

Department of State

- Bureau of Economic and Business Affairs
- Bureau of Political-Military Affairs
- Bureau of International Security and Nonproliferation

Department of the Treasury

Intelligence Community Elements

- Office of the Director of National Intelligence, National Intelligence Council
- Air Force Office of Special Investigations
- Army Counterintelligence Center
- Central Intelligence Agency
- Defense Intelligence Agency
- Federal Bureau of Investigation, National Security Branch
- Department of Energy, Office of Intelligence and Counterintelligence
- Department of Homeland Security, Office of Intelligence and Analysis
- Department of State, Bureau of Intelligence and Research
- Department of the Treasury, Office of Intelligence and Analysis
- Marine Corps Intelligence Activity
- Office of the National Counterintelligence Executive, Community Acquisition Risk Section
- National Counterterrorism Center
- National Geospatial-Intelligence Agency
- National Security Agency
- Naval Intelligence (Office of Naval Intelligence and Naval Criminal Investigative Service)

Executive Office of the President

- Council of Economic Advisers
- National Security Council
- Office of Science and Technology Policy

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