

COMMITTEE ON FOREIGN INVESTMENT IN THE UNITED STATES

ANNUAL REPORT TO CONGRESS

Report Period: CY 2022



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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 publicly the CFIUS Annual Report to Congress (the Report) covering calendar year 2022.

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 Report demonstrates that CFIUS's caseload remains high, with a record number of filings in 2022. Transactions reviewed by CFIUS, including the technology being invested in, are increasingly complex and result in more national security agreements to resolve the risks identified.

As the national security threat environment has evolved, so has CFIUS. A few notable developments from 2022 that go beyond the data in the Report include:

- In January 2022, the Committee identified New Zealand as an "excepted foreign state" and determined that Australia and Canada are and will remain excepted foreign states absent further Committee action and notice in the Federal Register;
- In June 2022, Treasury hosted the inaugural CFIUS conference, which provided the Committee an opportunity to engage with approximately 500 stakeholders on CFIUS process, risk analyses, and other topics;
- In September 2022, President Biden issued an executive order highlighting several national security risk factors that the Committee shall appropriately consider when reviewing transactions; and
- In October 2022, Treasury released its first ever enforcement and penalty guidelines, which provide the public with information on how the Committee assesses violations of the laws and regulations that govern transaction parties, including potential breaches of CFIUS mitigation agreements.

While we have had a busy 2022, the work continues, and we remain focused on continuing to address and resolve national security risks arising from covered transactions and taking enforcement actions as needed to address violations of our laws and regulations. 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 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 transaction, CFIUS involves other federal government agencies in its reviews, such as the Departments of Transportation, Health and Human Services, and Agriculture.

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.). The most recent statutory update to CFIUS authorities occurred in 2018 with the enactment of the Foreign Investment Risk Review Modernization Act of 2018 (FIRRMA), for which final implementing regulations became effective in 2020.¹

In September 2022, President Biden issued E.O. 14083, “Ensuring Robust Consideration of Evolving National Security Risks by the Committee on Foreign Investment in the United States.” While this Executive Order did not change CFIUS authorities, it sharpened the Committee’s focus on two national security factors already codified in Section 721(f) (supply chain security and resiliency and U.S. technological leadership) and highlighted three additional national security factors (aggregate industry investment trends, cybersecurity, and sensitive data). 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 authorized under FIRRMA, parties voluntarily submit declarations or notices of transactions to CFIUS. 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

¹ Prior to FIRRMA, Section 721 was last amended by the Foreign Investment and National Security Act of 2007 (FINSA).

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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 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, that any national security concerns are adequately addressed by laws other than Section 721 and the International Emergency Economic Powers Act (IEEPA), or that 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, it will refer the transaction to the President unless the parties choose to 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 referred 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 such action is justified in a detailed written analysis of the national security risk posed by the transaction. CFIUS determinations are confirmed at senior levels by CFIUS member agencies.

With limited exceptions, any transaction submitted to CFIUS for review that CFIUS determines is subject to its jurisdiction—i.e., a “covered transaction” or equivalent under the 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 certain exceptional circumstances (e.g., discovery of a material misstatement).

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.

This Annual Report

This CFIUS annual report (Annual Report or Report) covers transactions filed with CFIUS in calendar year 2022.

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 2022):

- A. A list of all notices filed, and all reviews or investigations of covered transactions completed during the period, with –
 - a. A description of the outcome of each review or investigation, including whether an agreement was entered into or condition was imposed under Section 721(l)(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; and
 - b. Basic information on each party to each such transaction;
 - c. 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
 - d. Information about any withdrawal from the process.
- B. Specific, cumulative, and, as appropriate, trend information on the numbers of filings, investigations, withdrawals, and decisions or actions by the President under Section 721;
- C. 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;
- D. 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;
- E. 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;
- F. 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;
- G. Statistics on compliance plans conducted and actions taken by the Committee under Section 721(l)(6), including subparagraph (D) of Section 721(l)(6), during that period, a general assessment of the compliance of parties with agreements entered into and conditions imposed under Section 721(l)(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;
- H. 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;
- I. A description of –

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- a. The methods used by the Committee to identify non-notified and non-declared transactions under Sections 721(b)(1)(H);
 - b. Potential methods to improve such identification and the resources required to do so; and
 - c. 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;
- J. A summary of the hiring practices and policies of the Committee pursuant to Section 721(k)(4); and
- K. A list of the waivers granted by the Committee under Section 721(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:

- L. If the Committee recommended that the President suspend or prohibit a covered transaction because the transaction threatened to impair the national security of the United States, a notification to Congress of 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 Section 721(b)(1)(C)(v) and the number of such declarations that were required under subclause (IV) of Section 721(b)(1)(C)(v);
- The number of declarations submitted under Section 721(b)(1)(C)(v) for which the Committee required re-submission as notices under Section 721(b)(1)(C)(i);
- The average number of days that elapsed between submission of a declaration under Section 721(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 Section 721(b)(1)(C)(v)(III);
- Information on the time it took the Committee to provide comments on, or to accept, notices submitted under Section 721(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 the prior sub-bullets 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 abilities of the Committee to provide comments on, or to accept, notices within 10 business days;
- The number of reviews or investigations conducted under Section 721(b);
 - The number of investigations that were subject to an extension under Section 721(b)(2)(C)(ii);
 - Information on the duration of those reviews and investigations, including the median and average number of days required to complete those reviews and investigations;
 - The number of notices submitted under Section 721(b)(1)(C)(i) and declarations submitted under Section 721(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 2022 Covered Transaction Declarations

Any transaction² can be notified to CFIUS by declaration or notice, including certain transactions subject to mandatory filing requirements. During the reporting period (calendar year 2022), declarations were mandatory for certain control transactions and non-controlling investments in U.S. businesses that produce, design, test, manufacture, fabricate, or develop one or more critical technologies, consistent with the definitions set forth in FIRRMA.

Additionally, declarations were 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”³ by a foreign person in which a foreign government has, directly or indirectly, a substantial interest.

Under FIRRMA, CFIUS is authorized to take the following actions after its assessment of submitted declarations for covered transactions:

- Request that the parties file a written notice;
- 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;
- Initiate a unilateral review; or
- Notify the parties that the Committee has concluded all action under Section 721.

CFIUS conducted an assessment and took one of the actions outlined above with respect to 154 declarations of covered transactions submitted in 2022. Five of these declarations were for covered real estate transactions under 31 C.F.R. Part 802. Based on stipulations provided by the parties, 44 declarations were subject to mandatory filing requirements. Following a 30-day assessment:

- CFIUS requested that the parties to 50 declarations file a written notice.
- CFIUS informed the parties to 14 declarations that the Committee was unable to conclude action.
- CFIUS notified the parties to 90 declarations that the Committee had concluded all action under Section 721.
- CFIUS did not reject any declarations submitted in 2022.

² Any transaction subject to the regulations implementing FIRRMA effective February 13, 2020.

³ As defined by 31 C.F.R § 800.248, which describes businesses involved with critical technologies, covered investment critical infrastructure, or sensitive personal data.

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1. Information Regarding 2022 Covered Transaction Declarations

Table I-1 provides cumulative information regarding covered transaction declarations submitted in 2022.

Table I-1. Covered Transaction Declarations and Withdrawals

Covered Transaction Declarations and Withdrawals, 2018-2022		
Year	Number of Declarations	Declarations Withdrawn
2018	20	1
2019	94	1
2020	126	1
2021	164	0
2022	154	0
Total	558	3

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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 cumulatively filed with CFIUS from 2020 through 2022.⁴ 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 does not represent overall sector trends in foreign direct investment more broadly.

Table I-2. Covered Transaction Declarations by Business Sector of U.S. Companies, 2020-2022⁵

Business Sector	4-Digit NAICS	3-Digit NAICS	3-Digit NAICS Category	2022 Declarations	% of 3-Digit Corresponding NAICS Code			
					2022	2021	2020	2020-2022
Aquaculture	1125	112	Animal Production and Aquaculture	1	100%	0%	0%	100%
Oil and Gas Extraction	2111	211	Oil and Gas Extraction	1	100%	100%	0%	100%
Coal Mining	2121	212	Mining (except Oil and Gas)	2	67%	0%	0%	33%
Metal Ore Mining	2122	212	Mining (except Oil and Gas)	1	33%	100%	50%	50%
Nonmetallic Mineral Mining and Quarrying	2123	212	Mining (except Oil and Gas)	0	0%	0%	50%	17%
Support Activities for Mining	2131	213	Support Activities for Mining	0	0%	0%	100%	100%
Electric Power Generation, Transmission and Distribution	2211	221	Utilities	15	83%	90%	93%	88%
Natural Gas Distribution	2212	221	Utilities	3	17%	0%	0%	7%
Water, Sewage and Other Systems	2213	221	Utilities	0	0%	10%	7%	5%
Nonresidential Building Construction	2362	236	Construction of Buildings	1	100%	0%	0%	100%
Utility System Construction	2371	237	Heavy and Civil Engineering Construction	1	100%	100%	0%	100%
Building Equipment Contractors	2382	238	Specialty Trade Contractors	1	100%	0%	100%	100%

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.

⁵ Throughout this Report, figures may not add up to 100 percent due to rounding in presenting summary data.

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Business Sector	4-Digit NAICS	3-Digit NAICS	3-Digit NAICS Category	2022 Declarations	% of 3-Digit Corresponding NAICS Code			
					2022	2021	2020	2020-2022
Other Textile Product Mills	3149	314	Textile Product Mills	0	0%	100%	0%	100%
Other Wood Product Manufacturing	3219	321	Wood Product Manufacturing	1	100%	0%	0%	100%
Petroleum and Coal Products Manufacturing	3241	324	Petroleum and Coal Products Manufacturing	1	100%	100%	0%	100%
Basic Chemical Manufacturing	3251	325	Chemical Manufacturing	1	25%	0%	0%	11%
Resin, Synthetic Rubber, and Artificial Synthetic Fibers and Filaments Manufacturing	3252	325	Chemical Manufacturing	0	0%	50%	0%	11%
Pharmaceutical and Medicine Manufacturing	3254	325	Chemical Manufacturing	3	75%	50%	100%	78%
Plastics Product Manufacturing	3261	326	Plastics and Rubber Products Manufacturing	0	0%	100%	0%	100%
Glass and Glass Product Manufacturing	3272	327	Nonmetallic Mineral Product Manufacturing	0	0%	0%	67%	67%
Other Nonmetallic Mineral Product Manufacturing	3279	327	Nonmetallic Mineral Product Manufacturing	0	0%	0%	33%	33%
Iron and Steel Mills and Ferroalloy Manufacturing	3311	331	Primary Metal Manufacturing	0	0%	50%	0%	25%
Steel Product Manufacturing from Purchased Steel	3312	331	Primary Metal Manufacturing	0	0%	50%	100%	75%
Forging and Stamping	3321	332	Fabricated Metal Product Manufacturing	0	0%	0%	33%	6%
Architectural and Structural Metals Manufacturing	3323	332	Fabricated Metal Product Manufacturing	0	0%	14%	0%	6%
Spring and Wire Product Manufacturing	3326	332	Fabricated Metal Product Manufacturing	1	14%	0%	0%	6%

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Business Sector	4-Digit NAICS	3-Digit NAICS	3-Digit NAICS Category	2022 Declarations	% of 3-Digit Corresponding NAICS Code			
					2022	2021	2020	2020-2022
Machine Shops; Turned Product; and Screw, Nut, and Bolt Manufacturing	3327	332	Fabricated Metal Product Manufacturing	0	0%	0%	33%	6%
Coating, Engraving, Heat Treating, and Allied Activities	3328	332	Fabricated Metal Product Manufacturing	0	0%	57%	0%	24%
Other Fabricated Metal Product Manufacturing	3329	332	Fabricated Metal Product Manufacturing	6	86%	29%	33%	53%
Agriculture, Construction, and Mining Machinery Manufacturing	3331	333	Machinery Manufacturing	0	0%	20%	0%	9%
Industrial Machinery Manufacturing	3332	333	Machinery Manufacturing	2	29%	0%	0%	9%
Commercial and Service Industry Machinery Manufacturing	3333	333	Machinery Manufacturing	2	29%	40%	60%	41%
Metalworking Machinery Manufacturing	3335	333	Machinery Manufacturing	1	14%	0%	20%	9%
Engine, Turbine, and Power Transmission Equipment Manufacturing	3336	333	Machinery Manufacturing	1	14%	30%	0%	18%
Other General Purpose Machinery Manufacturing	3339	333	Machinery Manufacturing	1	14%	10%	20%	14%
Computer and Peripheral Equipment Manufacturing	3341	334	Computer and Electronic Product Manufacturing	0	0%	26%	38%	22%
Communications Equipment Manufacturing	3342	334	Computer and Electronic Product Manufacturing	3	21%	21%	13%	18%
Audio and Video Equipment Manufacturing	3343	334	Computer and Electronic Product Manufacturing	1	7%	0%	0%	2%
Semiconductor and Other Electronic Component Manufacturing	3344	334	Computer and Electronic Product Manufacturing	6	43%	37%	38%	39%

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Business Sector	4-Digit NAICS	3-Digit NAICS	3-Digit NAICS Category	2022 Declarations	% of 3-Digit Corresponding NAICS Code			
					2022	2021	2020	2020-2022
Navigational, Measuring, Electromedical, and Control Instruments Manufacturing	3345	334	Computer and Electronic Product Manufacturing	4	29%	16%	13%	18%
Electrical Equipment Manufacturing	3353	335	Electrical Equipment, Appliance, and Component Manufacturing	1	100%	0%	0%	25%
Other Electrical Equipment and Component Manufacturing	3359	335	Electrical Equipment, Appliance, and Component Manufacturing	0	0%	0%	100%	75%
Motor Vehicle Manufacturing	3361	336	Transportation Equipment Manufacturing	1	13%	0%	17%	11%
Motor Vehicle Parts Manufacturing	3363	336	Transportation Equipment Manufacturing	0	0%	0%	8%	4%
Aerospace Product and Parts Manufacturing	3364	336	Transportation Equipment Manufacturing	6	75%	86%	58%	70%
Railroad Rolling Stock Manufacturing	3365	336	Transportation Equipment Manufacturing	1	13%	0%	0%	4%
Ship and Boat Building	3366	336	Transportation Equipment Manufacturing	0	0%	14%	8%	7%
Other Transportation Equipment Manufacturing	3369	336	Transportation Equipment Manufacturing	0	0%	0%	8%	4%
Medical Equipment and Supplies Manufacturing	3391	339	Miscellaneous Manufacturing	1	50%	0%	0%	33%
Other Miscellaneous Manufacturing	3399	339	Miscellaneous Manufacturing	1	50%	0%	100%	67%
Professional and Commercial Equipment and Supplies Merchant Wholesalers	4234	423	Merchant Wholesalers, Durable Goods	1	20%	0%	0%	11%

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Business Sector	4-Digit NAICS	3-Digit NAICS	3-Digit NAICS Category	2022 Declarations	% of 3-Digit Corresponding NAICS Code			
					2022	2021	2020	2020-2022
Metal and Mineral (except Petroleum) Merchant Wholesalers	4235	423	Merchant Wholesalers, Durable Goods	0	0%	33%	100%	22%
Household Appliances and Electrical and Electronic Goods Merchant Wholesalers	4236	423	Merchant Wholesalers, Durable Goods	0	0%	67%	0%	22%
Machinery, Equipment, and Supplies Merchant Wholesalers	4238	423	Merchant Wholesalers, Durable Goods	3	60%	0%	0%	33%
Miscellaneous Durable Goods Merchant Wholesalers	4239	423	Merchant Wholesalers, Durable Goods	1	20%	0%	0%	11%
Farm Product Raw Material Merchant Wholesalers	4245	424	Merchant Wholesalers, Nondurable Goods	1	100%	0%	100%	50%
Chemical and Allied Products Merchant Wholesalers	4246	424	Merchant Wholesalers, Nondurable Goods	0	0%	50%	0%	25%
Petroleum and Petroleum Products Merchant Wholesalers	4247	424	Merchant Wholesalers, Nondurable Goods	0	0%	50%	0%	25%
Automobile Dealers	4411	441	Motor Vehicle and Parts Dealers	1	100%	0%	0%	100%
Other Miscellaneous Store Retailers	4539	453	Miscellaneous Store Retailers	1	100%	0%	0%	100%
Electronic Shopping and Mail-Order Houses	4541	454	Nonstore Retailers	0	0%	50%	0%	50%
Direct Selling Establishments	4543	454	Nonstore Retailers	0	0%	50%	0%	50%
Nonscheduled Air Transportation	4812	481	Air Transportation	0	0%	100%	0%	100%
Rail Transportation	4821	482	Rail Transportation	0	0%	0%	100%	100%
Deep Sea, Coastal, and Great Lakes Water Transportation	4831	483	Water Transportation	0	0%	0%	100%	100%

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Business Sector	4-Digit NAICS	3-Digit NAICS	3-Digit NAICS Category	2022 Declarations	% of 3-Digit Corresponding NAICS Code			
					2022	2021	2020	2020-2022
General Freight Trucking	4841	484	Truck Transportation	1	100%	0%	0%	100%
Urban Transit Systems	4851	485	Transit and Ground Passenger Transportation	1	100%	0%	0%	100%
Pipeline Transportation of Natural Gas	4862	486	Pipeline Transportation	0	0%	0%	100%	50%
Other Pipeline Transportation	4869	486	Pipeline Transportation	1	100%	0%	0%	50%
Support Activities for Air Transportation	4881	488	Support Activities for Transportation	3	100%	40%	0%	56%
Support Activities for Water Transportation	4883	488	Support Activities for Transportation	0	0%	20%	0%	11%
Support Activities for Road Transportation	4884	488	Support Activities for Transportation	0	0%	0%	100%	11%
Freight Transportation Arrangement	4885	488	Support Activities for Transportation	0	0%	40%	0%	22%
Couriers and Express Delivery Services	4921	492	Couriers and Messengers	1	50%	0%	0%	50%
Local Messengers and Local Delivery	4922	492	Couriers and Messengers	1	50%	0%	0%	50%
Software Publishers	5112	511	Publishing Industries (except Internet)	8	100%	100%	100%	100%
Motion Picture and Video Industries	5121	512	Motion Picture and Sound Recording Industries	1	100%	0%	0%	100%
Wired and Wireless Telecommunications Carriers	5173	517	Telecommunications	2	22%	80%	0%	40%
Satellite Telecommunications	5174	517	Telecommunications	4	44%	0%	0%	27%
Other Telecommunications	5179	517	Telecommunications	3	33%	20%	100%	33%
Data Processing, Hosting, and Related Services	5182	518	Data Processing, Hosting, and Related Services	6	100%	100%	100%	100%
Other Information Services	5191	519	Other Information Services	1	100%	0%	0%	100%

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Business Sector	4-Digit NAICS	3-Digit NAICS	3-Digit NAICS Category	2022 Declarations	% of 3-Digit Corresponding NAICS Code			
					2022	2021	2020	2020-2022
Nondepository Credit Intermediation	5222	522	Credit Intermediation and Related Activities	0	0%	100%	100%	100%
Securities and Commodity Contracts Intermediation and Brokerage	5231	523	Securities, Commodity Contracts, and Other Financial Investments and Related Activities	0	0%	20%	33%	22%
Other Financial Investment Activities	5239	523	Securities, Commodity Contracts, and Other Financial Investments and Related Activities	1	100%	80%	67%	78%
Insurance Carriers	5241	524	Insurance Carriers and Related Activities	0	0%	100%	50%	88%
Agencies, Brokerages, and Other Insurance Related Activities	5242	524	Insurance Carriers and Related Activities	0	0%	0%	50%	13%
Other Investment Pools and Funds	5259	525	Funds, Trusts, and Other Financial Vehicles	0	0%	100%	0%	100%
Lessors of Real Estate	5311	531	Real Estate	5	100%	70%	67%	78%
Activities Related to Real Estate	5313	531	Real Estate	0	0%	30%	33%	22%
Commercial and Industrial Machinery and Equipment Rental and Leasing	5324	532	Rental and Leasing Services	0	0%	100%	0%	100%
Accounting, Tax Preparation, Bookkeeping, and Payroll Services	5412	541	Professional, Scientific, and Technical Services	1	4%	0%	0%	1%
Architectural, Engineering, and Related Services	5413	541	Professional, Scientific, and Technical Services	6	24%	15%	9%	16%
Computer Systems Design and Related Services	5415	541	Professional, Scientific, and Technical Services	3	12%	38%	50%	33%

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Business Sector	4-Digit NAICS	3-Digit NAICS	3-Digit NAICS Category	2022 Declarations	% of 3-Digit Corresponding NAICS Code			
					2022	2021	2020	2020-2022
Management, Scientific, and Technical Consulting Services	5416	541	Professional, Scientific, and Technical Services	0	0%	12%	14%	8%
Scientific Research and Development Services	5417	541	Professional, Scientific, and Technical Services	15	60%	19%	27%	36%
Advertising, Public Relations, and Related Services	5418	541	Professional, Scientific, and Technical Services	0	0%	4%	0%	1%
Other Professional, Scientific, and Technical Services	5419	541	Professional, Scientific, and Technical Services	0	0%	12%	0%	4%
Management of Companies and Enterprises	5511	551	Management of Companies and Enterprises	0	0%	100%	0%	100%
Office Administrative Services	5611	561	Administrative and Support Services	0	0%	25%	0%	14%
Facilities Support Services	5612	561	Administrative and Support Services	1	50%	0%	0%	14%
Employment Services	5613	561	Administrative and Support Services	0	0%	0%	100%	14%
Business Support Services	5614	561	Administrative and Support Services	1	50%	50%	0%	43%
Investigation and Security Services	5616	561	Administrative and Support Services	0	0%	25%	0%	14%
Business Schools and Computer and Management Training	6114	611	Educational Services	0	0%	50%	0%	25%
Technical and Trade Schools	6115	611	Educational Services	1	100%	0%	100%	50%
Educational Support Services	6117	611	Educational Services	0	0%	50%	0%	25%
Medical and Diagnostic Laboratories	6215	621	Ambulatory Health Care Services	0	0%	50%	0%	33%

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Business Sector	4-Digit NAICS	3-Digit NAICS	3-Digit NAICS Category	2022 Declarations	% of 3-Digit Corresponding NAICS Code			
					2022	2021	2020	2020-2022
Other Ambulatory Health Care Services	6219	621	Ambulatory Health Care Services	1	100%	50%	0%	67%
Special Food Services	7223	722	Food Services and Drinking Places	0	0%	100%	0%	100%
Electronic and Precision Equipment Repair and Maintenance	8112	811	Repair and Maintenance	1	50%	0%	0%	50%
Commercial and Industrial Machinery and Equipment (except Automotive and Electronic) Repair and Maintenance	8113	811	Repair and Maintenance	1	50%	0%	0%	50%
Other Personal Services	8129	812	Personal and Laundry Services	0	0%	100%	100%	100%
Space Research and Technology	9271	927	Space Research and Technology	0	0%	0%	100%	100%

2. Covered Transaction Declarations by Country or Economy, 2020-2022

Table I-3 organizes declarations from 2020 through 2022 by country or geographic economy. Canadian investors accounted for the most declarations in 2022. Investors from Canada also accounted for the largest proportion of declarations for the three-year period 2020-2022 with 14 percent (64 declarations). Investors from Japan and Germany accounted for the second- and third-most declarations from 2020 to 2022 with 11 percent (47 declarations) and 8 percent (34 declarations), respectively.

Table I-3. Declarations by Acquirer Home Country or Economy, 2020-2022

Declarations by Acquirer Home Country or Economy, 2020-2022				
Country/Economy	2020	2021	2022	Total
Australia	2	8	5	15
Austria	0	1	1	2
Azerbaijan	0	0	1	1
Belgium	2	0	0	2
Bermuda	1	4	0	5
Brazil	1	0	2	3
British Virgin Islands	1	0	1	2
Canada	20	22	22	64
Cayman Islands	3	6	2	11
Chile	1	0	1	2
China	5	1	5	11
Cyprus	0	0	1	1
Denmark	0	1	3	4
Finland	3	1	1	5
France	5	9	9	23
Germany	10	11	13	34
Guernsey	2	9	1	12
Hong Kong ⁶	1	0	0	1
India	2	3	2	7

⁶ In relevant part, Executive Order 13936 on Hong Kong Normalization (85 Fed. Reg. 43413 (July 17, 2020)) eliminates differential treatment between Hong Kong and China for purposes of this Report from the date of the E.O. forward (July 14, 2020). Accordingly, for CFIUS cases concluding on or after July 14, 2020, any transaction for which Hong Kong is identified as the origin geographic economy of the foreign acquirer is reported as originating from China. Conversely, for CFIUS cases that concluded prior to July 14, 2020, any transaction for which Hong Kong is identified as the origin geographic economy, including references to historic data, will continue to be reported as originating from Hong Kong.

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Declarations by Acquirer Home Country or Economy, 2020-2022				
Country/Economy	2020	2021	2022	Total
Ireland	0	2	1	3
Isle Of Man	0	1	0	1
Israel	3	2	3	8
Italy	1	4	1	6
Jamaica	0	1	0	1
Japan	18	11	18	47
Jersey	1	4	5	10
Luxembourg	1	4	2	7
Malaysia	1	0	1	2
Mexico	0	1	1	2
Netherlands	1	6	3	10
New Zealand	1	2	0	3
Norway	0	3	2	5
Qatar	2	1	1	4
Russia	1	1	0	2
Saudi Arabia	2	3	1	6
Singapore	4	11	9	24
South Africa	0	1	1	2
South Korea	4	11	11	26
Spain	1	2	1	4
Sweden	7	3	4	14
Switzerland	2	0	2	4
Taiwan	2	2	1	5
Thailand	0	0	1	1
United Arab Emirates	3	2	7	12
United Kingdom	12	10	8	30
Total	126	164	154	444

3. Information on Committee Turnaround for Acceptance

For declarations submitted in 2022, 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 5.59 days.

The following table I-4 provides information on the median and average number of days for the Committee to take action on declarations in 2022.

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

For Covered Declarations in 2022	
Average Calendar Days	30.0
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 2022, the Committee did not waive this requirement for any transaction.

B. Information Regarding 2022 Covered Transaction Notices

There were 286 written notices of transactions filed with CFIUS in 2022⁷ that CFIUS determined to be “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). 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 286 notices of covered transactions that were accepted in 2022, of which one was a real estate notice filed under 31 C.F.R. Part 802.
- CFIUS conducted a subsequent “investigation” with respect to 162 of those 286 notices.
- No notices were subject to an extension under Section 721(b)(2)(C)(ii)(I) (which allows for one 15-day extension of the investigation period in extraordinary circumstances).
- CFIUS adopted or imposed mitigation measures as follows:
 - CFIUS concluded action after adopting mitigation agreements to resolve national security concerns with respect to 41 notices.
 - CFIUS adopted mitigation agreements to address residual national security concerns with respect to three notices that were voluntarily withdrawn and abandoned.
 - Separately, in letters issued by Treasury granting the withdrawal and abandonment for five notices, conditions were imposed. However, these did not involve mitigation agreements.
 - Measures were imposed to mitigate interim risk with respect to three notices filed in 2022.⁸
- 88 of the 286 notices were withdrawn. In 68 of these instances, the parties filed a new notice. 53 were re-filed in 2022 and 15 in 2023. In 12 of these instances, the parties withdrew the notice and abandoned the transaction after either CFIUS informed the parties that it was unable to identify mitigation measures that would resolve its national security concerns, or it proposed mitigation measures that the parties chose not to accept. In eight of these instances, the parties withdrew their notice and abandoned the transaction due to commercial reasons.⁹
- One notice was rejected by CFIUS in 2022.
- There were no Presidential decisions issued in 2022.

⁷ In one instance, a notice was filed at the end of 2021 and accepted for review in 2022. That notice is accounted for in this Report.

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

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

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 2013-2022. Over this ten-year period, companies filed 2,001 notices of transactions that CFIUS determined to be covered transactions under Section 721. Of these 2,001 notices, approximately 1.2 percent (25 notices) were withdrawn during the review phase. Approximately 53 percent (1,070 notices) resulted in an investigation, and approximately 20 percent (396 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 increased from 97 in 2013 to 286 in 2022 and is the highest number of notices reviewed by the Committee in the last ten years. The proportion of notices proceeding to investigation in 2022 was approximately 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 2022 (440 transactions) is similar to the number of transactions reviewed or assessed by the Committee in 2021 (436 transactions).

A variety of economic factors affects 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.

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Table I-5. Covered Transactions, Withdrawals, and Presidential Decisions, 2013-2022

Covered Transactions, Withdrawals, and Presidential Decisions* 2013-2022					
Year	Number of Notices	Notices Withdrawn During Review Phase	Number of Investigations	Notices Withdrawn After Commencement of Investigation	Presidential Decisions
2013	97	3	49	5	0
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	162	87	0
Total	2001	25	1070	396	5

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

1. Committee Turnaround of Comments, Acceptance, Notices

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

For notices filed in 2022, 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 was 7.4 days, less than the 10-day deadline applicable under Section 721.¹⁰

For notices filed in 2022, 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 the formal written notice was 4.5 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 2022.

Table I-6. Average and Median Days to Complete Reviews and Investigations¹¹

For Covered Transactions in 2022	Average Calendar Days	Median Calendar Days
Closing in Review	46.1	47.0
Closing in Investigation	80.5	91.0

¹⁰ This number is inclusive of all draft notices filed in 2022 regardless of whether the parties made a stipulation. Under FIRRMA and the CFIUS regulations that went into effect on February 13, 2020, the Committee shall 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.

¹¹ These numbers may exceed 45 or 90 calendar days in some cases because, in certain circumstances, the 45th 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.

D. Covered Notices by Business Sector and Country

1. Covered Notices by Business Sector of U.S. Companies, 2013-2022

The notices of covered transactions filed with CFIUS from 2013 through 2022 involved a wide range of industries. To provide cumulative and trend information on the business sectors involved in covered transaction notices, Treasury has for several years grouped covered transaction notices into four categories that generally correspond to the NAICS code provided by each U.S. business party.¹² 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 or overall sector trends in foreign direct investment more broadly.

Approximately three-fourths of the non-real estate notices were in either the Finance, Information, and Services sector (839 notices or 42 percent) or the Manufacturing sector (728 notices or 37 percent). The remainder of the notices were in the Mining, Utilities, and Construction sector (270 notices or 14 percent) and the Wholesale Trade, Retail Trade, and Transportation sector (157 notices or 8 percent).

The following table and charts provide data by sector and by calendar year of the 1,994 non-real estate covered transaction notices filed with CFIUS during the ten-year period from 2013 through 2022. In 2022, similar to 2021, a majority of transactions occurred in the Finance, Information, and Services sector (149 notices or 52 percent). The Manufacturing sector in 2022, similar to 2021, accounted for the second most notices filed with 84 notices or 29 percent.

The proportion of notices in the Mining, Utilities, and Construction sector increased slightly from 12 percent in 2021 to 13 percent in 2022, as did the Wholesale Trade, Retail Trade and Transportation sector, which increased two percentage points from 2021 to 2022 but remains the lowest at 6 percent or 16 notices in 2022.

¹² If no NAICS code was provided, CFIUS determined the most appropriate NAICS code using publicly available information.

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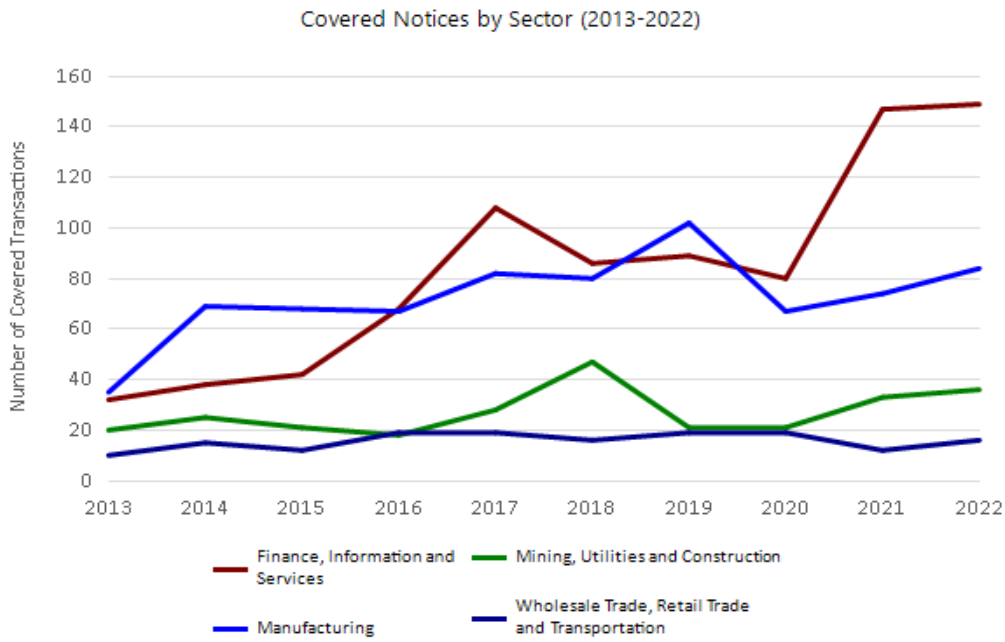
Table I-7. Covered Notices by Sector and Year, 2013-2022¹³

Covered Notices by Sector and Year, 2013-2022					
Year	Finance, Information and Services	Manufacturing	Mining, Utilities and Construction	Wholesale Trade, Retail Trade and Transportation	Total
2013	32 (33%)	35 (36%)	20 (21%)	10 (10%)	97
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 (4%)	266
2022	149 (52%)	84 (29%)	36 (13%)	16 (6%)	285
Total	839 (42%)	728 (37%)	270 (14%)	157 (8%)	1994

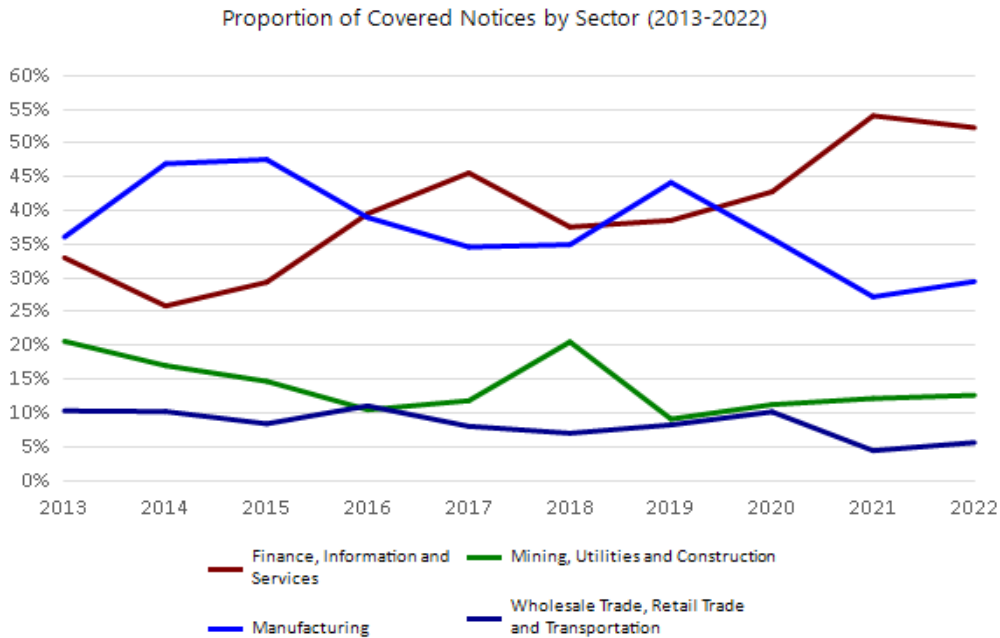
¹³ Does not include real estate notices filed under 31 C.F.R. Part 802.

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Graph I-1. Covered Notices by Sector and Year, 2013-2022



Graph I-2. Proportion of Covered Notices by Sector and Year, 2013-2022



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Finance, Information, and Services Sector

In 2022, the Finance, Information, and Services sector accounted for 52 percent or 149 of the 285 non-real estate CFIUS notices. Within this sector, Professional, Scientific, and Technical Services continued to be the largest subsector, accounting for 44 percent or 66 notices. The other top subsectors in 2022 were Telecommunications at 15 percent or 22 notices, followed by Publishing Industries (except Internet) at 13 percent or 20 notices. All other subsectors fell below 10 percent of notices.

Table I-8. Covered Notices from the Finance, Information, and Services Sector, 2020-2022

Finance, Information, and Services	NAICS Code	2022 Notices	% of Total Finance, Information, and Services			
			2022	2021	2020	2020-2022
Publishing Industries (except Internet)	511	20	13%	20%	18%	17%
Telecommunications	517	22	15%	8%	11%	11%
Data Processing, Hosting, and Related Services	518	6	4%	9%	6%	6%
Other Information Services	519	3	2%	0%	4%	2%
Credit Intermediation and Related Activities	522	1	1%	1%	0%	1%
Securities, Commodity Contracts, and Other Financial Investments and Related Activities	523	2	1%	2%	3%	2%
Insurance Carriers and Related Activities	524	4	3%	5%	4%	4%
Funds, Trusts, and Other Financial Vehicles	525	0	0%	0%	1%	0%
Real Estate	531	6	4%	3%	4%	4%
Rental and Leasing Services	532	1	1%	1%	0%	1%
Professional, Scientific, and Technical Services	541	66	44%	39%	36%	40%
Management of Companies and Enterprises	551	2	1%	5%	1%	3%
Administrative and Support Services	561	6	4%	1%	4%	3%
Waste Management and Remediation Services	562	0	0%	0%	1%	0%
Educational Services	611	3	2%	3%	4%	3%
Ambulatory Health Care Services	621	1	1%	1%	3%	1%
Hospitals	622	5	3%	0%	0%	1%
Repair and Maintenance	811	1	1%	0%	0%	0%
Personal and Laundry Services	812	0	0%	0%	1%	0%

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Manufacturing Sector

In 2022, the Manufacturing sector accounted for 29 percent or 84 of the 285 non-real estate CFIUS notices. Within Manufacturing, the subsector with the most notices remained Computer and Electronic Product Manufacturing, accounting for 37 percent (31 notices). The next highest subsector was Transportation Equipment Manufacturing, accounting for 17 percent (14 notices).

Table I-9. Covered Notices from the Manufacturing Sector, 2020-2022

Manufacturing	NAICS Code	2022 Notices	% of Total Manufacturing			
			2022	2021	2020	2020-2022
Food Manufacturing	311	0	0%	0%	1%	0%
Printing and Related Support Activities	323	1	1%	0%	0%	0%
Petroleum and Coal Products Manufacturing	324	0	0%	3%	0%	1%
Chemical Manufacturing	325	8	10%	18%	13%	13%
Plastics and Rubber Products Manufacturing	326	3	4%	0%	0%	1%
Nonmetallic Mineral Product Manufacturing	327	0	0%	0%	1%	0%
Primary Metal Manufacturing	331	0	0%	4%	3%	2%
Fabricated Metal Product Manufacturing	332	12	14%	4%	6%	8%
Machinery Manufacturing	333	10	12%	9%	9%	10%
Computer and Electronic Product Manufacturing	334	31	37%	34%	42%	37%
Electrical Equipment, Appliance, and Component Manufacturing	335	3	4%	12%	9%	8%
Transportation Equipment Manufacturing	336	14	17%	14%	9%	13%
Miscellaneous Manufacturing	339	2	2%	3%	6%	4%

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Mining, Utilities, and Construction Sector

In 2022, the Mining, Utilities, and Construction sector accounted for 13 percent or 36 of the 285 non-real estate CFIUS notices. Within this sector, the Utilities subsector accounted for 67 percent of the sector (24 notices). The Support Activities for Agriculture and Forestry subsector, Oil and Gas Extraction subsector, and Specialty Trade Contractors subsector were the next highest subsectors with 8 percent or three notices each in 2022.

Table I-10. Covered Notices from the Mining, Utilities, and Construction Sector, 2020-2022

Mining, Utilities, and Construction	NAICS Code	2022 Notices	% of Total Mining, Utilities, and Construction			
			2022	2021	2020	2020-2022
Support Activities for Agriculture and Forestry	115	3	8%	0%	0%	3%
Oil and Gas Extraction	211	3	8%	0%	10%	6%
Mining (except Oil and Gas)	212	1	3%	0%	5%	2%
Utilities	221	24	67%	94%	86%	81%
Heavy and Civil Engineering Construction	237	2	6%	3%	0%	3%
Specialty Trade Contractors	238	3	8%	3%	0%	4%

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Wholesale Trade, Retail Trade, and Transportation Sector

In 2022, the Wholesale Trade, Retail Trade, and Transportation sector accounted for 6 percent or 16 of the 285 non-real estate CFIUS notices. Within this sector, Support Activities for Transportation remained the largest subsector, accounting for 44 percent or seven notices. The next highest subsector in 2022 was Merchant Wholesalers, Durable Goods with 31 percent or 5 notices.

Table I-11. Covered Notices from Wholesale, Retail Trade, and Transportation Sector, 2020-2022

Wholesale Trade, Retail Trade, and Transportation	NAICS Code	2022 Notices	% of Total Wholesale Trade, Retail Trade and Transportation			
			2022	2021	2020	2020-2022
Merchant Wholesalers, Durable Goods	423	5	31%	25%	16%	23%
Merchant Wholesalers, Nondurable Goods	424	2	13%	0%	5%	6%
Health and Personal Care Stores	446	0	0%	0%	11%	4%
Clothing and Clothing Accessories Stores	448	0	0%	0%	5%	2%
Nonstore Retailers	454	0	0%	0%	5%	2%
Air Transportation	481	1	6%	25%	0%	9%
Rail Transportation	482	1	6%	0%	0%	2%
Pipeline Transportation	486	0	0%	0%	5%	2%
Support Activities for Transportation	488	7	44%	50%	37%	43%
Warehousing and Storage	493	0	0%	0%	5%	2%
Accommodation	721	0	0%	0%	11%	4%

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Covered Transaction Notices by Business Sector of U.S. Companies, 2020-2022

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 2020 through 2022.

Table I-12. Covered Transaction Notices by Business Sector of U.S. Companies, 2020-2022¹⁴

Business Sector	4-Digit NAICS	3-Digit NAICS	3-Digit NAICS Category	2022 Notices	% of 3-Digit Corresponding NAICS Code			
					2022	2021	2020	2020-2022
Support Activities for Forestry	1153	115	Support Activities for Agriculture and Forestry	3	100%	0%	0%	100%
Oil and Gas Extraction	2111	211	Oil and Gas Extraction	3	100%	0%	100%	100%
Nonmetallic Mineral Mining and Quarrying	2123	212	Mining (except Oil and Gas)	1	100%	0%	100%	100%
Electric Power Generation, Transmission and Distribution	2211	221	Utilities	24	100%	97%	100%	99%
Water, Sewage and Other Systems	2213	221	Utilities	0	0%	3%	0%	1%
Utility System Construction	2371	237	Heavy and Civil Engineering Construction	2	100%	100%	0%	100%
Building Equipment Contractors	2382	238	Specialty Trade Contractors	3	100%	100%	0%	100%
Animal Slaughtering and Processing	3116	311	Food Manufacturing	0	0%	0%	100%	100%
Printing and Related Support Activities	3231	323	Printing and Related Support Activities	1	100%	0%	0%	100%
Petroleum and Coal Products Manufacturing	3241	324	Petroleum and Coal Products Manufacturing	0	0%	100%	0%	100%
Basic Chemical Manufacturing	3251	325	Chemical Manufacturing	2	25%	8%	33%	20%
Resin, Synthetic Rubber, and Artificial Synthetic Fibers and Filaments Manufacturing	3252	325	Chemical Manufacturing	0	0%	62%	22%	33%

¹⁴ Does not include real estate notices filed under 31 C.F.R. Part 802.

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Business Sector	4-Digit NAICS	3-Digit NAICS	3-Digit NAICS Category	2022 Notices	% of 3-Digit Corresponding NAICS Code			
					2022	2021	2020	2020-2022
Pharmaceutical and Medicine Manufacturing	3254	325	Chemical Manufacturing	6	75%	23%	33%	40%
Other Chemical Product and Preparation Manufacturing	3259	325	Chemical Manufacturing	0	0%	8%	11%	7%
Plastics Product Manufacturing	3261	326	Plastics and Rubber Products Manufacturing	1	33%	0%	0%	33%
Rubber Product Manufacturing	3262	326	Plastics and Rubber Products Manufacturing	2	67%	0%	0%	67%
Other Nonmetallic Mineral Product Manufacturing	3279	327	Nonmetallic Mineral Product Manufacturing	0	0%	0%	100%	100%
Steel Product Manufacturing from Purchased Steel	3312	331	Primary Metal Manufacturing	0	0%	67%	0%	40%
Nonferrous Metal (except Aluminum) Production and Processing	3314	331	Primary Metal Manufacturing	0	0%	0%	100%	40%
Foundries	3315	331	Primary Metal Manufacturing	0	0%	33%	0%	20%
Forging and Stamping	3321	332	Fabricated Metal Product Manufacturing	4	33%	0%	25%	26%
Architectural and Structural Metals Manufacturing	3323	332	Fabricated Metal Product Manufacturing	1	8%	0%	0%	5%
Machine Shops; Turned Product; and Screw, Nut, and Bolt Manufacturing	3327	332	Fabricated Metal Product Manufacturing	2	17%	0%	0%	11%
Coating, Engraving, Heat Treating, and Allied Activities	3328	332	Fabricated Metal Product Manufacturing	2	17%	0%	25%	16%
Other Fabricated Metal Product Manufacturing	3329	332	Fabricated Metal Product Manufacturing	3	25%	100%	50%	42%

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Business Sector	4-Digit NAICS	3-Digit NAICS	3-Digit NAICS Category	2022 Notices	% of 3-Digit Corresponding NAICS Code			
					2022	2021	2020	2020-2022
Industrial Machinery Manufacturing	3332	333	Machinery Manufacturing	5	50%	0%	17%	26%
Commercial and Service Industry Machinery Manufacturing	3333	333	Machinery Manufacturing	2	20%	57%	0%	26%
Ventilation, Heating, Air-Conditioning, and Commercial Refrigeration Equipment Manufacturing	3334	333	Machinery Manufacturing	1	10%	0%	0%	4%
Metalworking Machinery Manufacturing	3335	333	Machinery Manufacturing	1	10%	0%	0%	4%
Engine, Turbine, and Power Transmission Equipment Manufacturing	3336	333	Machinery Manufacturing	0	0%	29%	17%	13%
Other General Purpose Machinery Manufacturing	3339	333	Machinery Manufacturing	1	10%	14%	67%	26%
Computer and Peripheral Equipment Manufacturing	3341	334	Computer and Electronic Product Manufacturing	0	0%	20%	7%	8%
Communications Equipment Manufacturing	3342	334	Computer and Electronic Product Manufacturing	5	16%	12%	25%	18%
Semiconductor and Other Electronic Component Manufacturing	3344	334	Computer and Electronic Product Manufacturing	14	45%	36%	46%	43%
Navigational, Measuring, Electromedical, and Control Instruments Manufacturing	3345	334	Computer and Electronic Product Manufacturing	12	39%	32%	21%	31%
Electrical Equipment Manufacturing	3353	335	Electrical Equipment, Appliance, and Component Manufacturing	2	67%	11%	33%	28%

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Business Sector	4-Digit NAICS	3-Digit NAICS	3-Digit NAICS Category	2022 Notices	% of 3-Digit Corresponding NAICS Code			
					2022	2021	2020	2020-2022
Other Electrical Equipment and Component Manufacturing	3359	335	Electrical Equipment, Appliance, and Component Manufacturing	1	33%	89%	67%	72%
Motor Vehicle Manufacturing	3361	336	Transportation Equipment Manufacturing	2	14%	20%	17%	17%
Motor Vehicle Parts Manufacturing	3363	336	Transportation Equipment Manufacturing	1	7%	0%	0%	3%
Aerospace Product and Parts Manufacturing	3364	336	Transportation Equipment Manufacturing	10	71%	80%	50%	70%
Railroad Rolling Stock Manufacturing	3365	336	Transportation Equipment Manufacturing	0	0%	0%	17%	3%
Other Transportation Equipment Manufacturing	3369	336	Transportation Equipment Manufacturing	1	7%	0%	17%	7%
Medical Equipment and Supplies Manufacturing	3391	339	Miscellaneous Manufacturing	0	0%	50%	100%	63%
Other Miscellaneous Manufacturing	3399	339	Miscellaneous Manufacturing	2	100%	50%	0%	38%
Professional and Commercial Equipment and Supplies Merchant Wholesalers	4234	423	Merchant Wholesalers, Durable Goods	1	20%	0%	0%	9%
Metal and Mineral (except Petroleum) Merchant Wholesalers	4235	423	Merchant Wholesalers, Durable Goods	0	0%	33%	0%	9%
Household Appliances and Electrical and Electronic Goods Merchant Wholesalers	4236	423	Merchant Wholesalers, Durable Goods	2	40%	67%	33%	45%
Machinery, Equipment, and Supplies Merchant Wholesalers	4238	423	Merchant Wholesalers, Durable Goods	0	0%	0%	33%	9%

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Business Sector	4-Digit NAICS	3-Digit NAICS	3-Digit NAICS Category	2022 Notices	% of 3-Digit Corresponding NAICS Code			
					2022	2021	2020	2020-2022
Miscellaneous Durable Goods Merchant Wholesalers	4239	423	Merchant Wholesalers, Durable Goods	2	40%	0%	33%	27%
Drugs and Druggists' Sundries Merchant Wholesalers	4242	424	Merchant Wholesalers, Nondurable Goods	1	50%	0%	0%	33%
Grocery and Related Product Merchant Wholesalers	4244	424	Merchant Wholesalers, Nondurable Goods	0	0%	0%	100%	33%
Farm Product Raw Material Merchant Wholesalers	4245	424	Merchant Wholesalers, Nondurable Goods	1	50%	0%	0%	33%
Health and Personal Care Stores	4461	446	Health and Personal Care Stores	0	0%	0%	100%	100%
Jewelry, Luggage, and Leather Goods Stores	4483	448	Clothing and Clothing Accessories Stores	0	0%	0%	100%	100%
Electronic Shopping and Mail-Order Houses	4541	454	Nonstore Retailers	0	0%	0%	100%	100%
Nonscheduled Air Transportation	4812	481	Air Transportation	1	100%	100%	0%	100%
Rail Transportation	4821	482	Rail Transportation	1	100%	0%	0%	100%
Pipeline Transportation of Natural Gas	4862	486	Pipeline Transportation	0	0%	0%	100%	100%
Support Activities for Air Transportation	4881	488	Support Activities for Transportation	2	29%	17%	57%	35%
Support Activities for Rail Transportation	4882	488	Support Activities for Transportation	1	14%	0%	0%	5%
Support Activities for Water Transportation	4883	488	Support Activities for Transportation	1	14%	0%	14%	10%
Support Activities for Road Transportation	4884	488	Support Activities for Transportation	2	29%	17%	0%	15%
Freight Transportation Arrangement	4885	488	Support Activities for Transportation	1	14%	67%	29%	35%

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Business Sector	4-Digit NAICS	3-Digit NAICS	3-Digit NAICS Category	2022 Notices	% of 3-Digit Corresponding NAICS Code			
					2022	2021	2020	2020-2022
Warehousing and Storage	4931	493	Warehousing and Storage	0	0%	0%	100%	100%
Newspaper, Periodical, Book, and Directory Publishers	5111	511	Publishing Industries (except Internet)	0	0%	10%	21%	9%
Software Publishers	5112	511	Publishing Industries (except Internet)	20	100%	90%	79%	91%
Wired Telecommunications Carriers	5171	517	Telecommunications	0	0%	0%	11%	2%
Wired and Wireless Telecommunications Carriers	5173	517	Telecommunications	10	45%	58%	67%	53%
Satellite Telecommunications	5174	517	Telecommunications	9	41%	42%	11%	35%
Other Telecommunications	5179	517	Telecommunications	3	14%	0%	11%	9%
Data Processing, Hosting, and Related Services	5182	518	Data Processing, Hosting, and Related Services	6	100%	100%	100%	100%
Other Information Services	5191	519	Other Information Services	3	100%	0%	100%	100%
Activities Related to Credit Intermediation	5223	522	Credit Intermediation and Related Activities	1	100%	100%	0%	100%
Securities and Commodity Contracts Intermediation and Brokerage	5231	523	Securities, Commodity Contracts, and Other Financial Investments and Related Activities	0	0%	33%	50%	29%
Other Financial Investment Activities	5239	523	Securities, Commodity Contracts, and Other Financial Investments and Related Activities	2	100%	67%	50%	71%
Insurance Carriers	5241	524	Insurance Carriers and Related Activities	3	75%	63%	33%	60%

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Business Sector	4-Digit NAICS	3-Digit NAICS	3-Digit NAICS Category	2022 Notices	% of 3-Digit Corresponding NAICS Code			
					2022	2021	2020	2020-2022
Agencies, Brokerages, and Other Insurance Related Activities	5242	524	Insurance Carriers and Related Activities	1	25%	38%	67%	40%
Other Investment Pools and Funds	5259	525	Funds, Trusts, and Other Financial Vehicles	0	0%	0%	100%	100%
Lessors of Real Estate	5311	531	Real Estate	6	100%	100%	33%	86%
Activities Related to Real Estate	5313	531	Real Estate	0	0%	0%	67%	14%
Automotive Equipment Rental and Leasing	5321	532	Rental and Leasing Services	1	100%	50%	0%	67%
Commercial and Industrial Machinery and Equipment Rental and Leasing	5324	532	Rental and Leasing Services	0	0%	50%	0%	33%
Accounting, Tax Preparation, Bookkeeping, and Payroll Services	5412	541	Professional, Scientific, and Technical Services	1	2%	0%	0%	1%
Architectural, Engineering, and Related Services	5413	541	Professional, Scientific, and Technical Services	8	12%	18%	34%	18%
Computer Systems Design and Related Services	5415	541	Professional, Scientific, and Technical Services	15	23%	30%	31%	27%
Management, Scientific, and Technical Consulting Services	5416	541	Professional, Scientific, and Technical Services	10	15%	12%	7%	13%
Scientific Research and Development Services	5417	541	Professional, Scientific, and Technical Services	26	39%	26%	17%	30%
Advertising, Public Relations, and Related Services	5418	541	Professional, Scientific, and Technical Services	3	5%	2%	3%	3%
Other Professional, Scientific, and Technical Services	5419	541	Professional, Scientific, and Technical Services	3	5%	12%	7%	8%

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Business Sector	4-Digit NAICS	3-Digit NAICS	3-Digit NAICS Category	2022 Notices	% of 3-Digit Corresponding NAICS Code			
					2022	2021	2020	2020-2022
Management of Companies and Enterprises	5511	551	Management of Companies and Enterprises	2	100%	100%	100%	100%
Employment Services	5613	561	Administrative and Support Services	1	17%	100%	0%	20%
Business Support Services	5614	561	Administrative and Support Services	4	67%	0%	33%	50%
Travel Arrangement and Reservation Services	5615	561	Administrative and Support Services	0	0%	0%	33%	10%
Investigation and Security Services	5616	561	Administrative and Support Services	1	17%	0%	33%	20%
Remediation and Other Waste Management Services	5629	562	Waste Management and Remediation Services	0	0%	0%	100%	100%
Elementary and Secondary Schools	6111	611	Educational Services	2	67%	25%	0%	30%
Business Schools and Computer and Management Training	6114	611	Educational Services	1	33%	25%	0%	20%
Technical and Trade Schools	6115	611	Educational Services	0	0%	25%	0%	10%
Educational Support Services	6117	611	Educational Services	0	0%	25%	100%	40%
Offices of Physicians	6211	621	Ambulatory Health Care Services	0	0%	0%	50%	20%
Medical and Diagnostic Laboratories	6215	621	Ambulatory Health Care Services	0	0%	100%	50%	60%
Other Ambulatory Health Care Services	6219	621	Ambulatory Health Care Services	1	100%	0%	0%	20%
General Medical and Surgical Hospitals	6221	622	Hospitals	1	20%	0%	0%	20%
Psychiatric and Substance Abuse Hospitals	6222	622	Hospitals	4	80%	0%	0%	80%
Traveler Accommodation	7211	721	Accommodation	0	0%	0%	100%	100%

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Business Sector	4-Digit NAICS	3-Digit NAICS	3-Digit NAICS Category	2022 Notices	% of 3-Digit Corresponding NAICS Code			
					2022	2021	2020	2020-2022
Electronic and Precision Equipment Repair and Maintenance	8112	811	Repair and Maintenance	1	100%	0%	0%	100%
Other Personal Services	8129	812	Personal and Laundry Services	0	0%	0%	100%	100%

2. Covered Transaction Notices by Country or Economy, 2020-2022

Table I-13 organizes covered transaction notices from 2020 through 2022 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. In 2022, the highest number of notices were from Singaporean investors, accounting for 12.9 percent (37 notices), followed by Chinese and British investors, accounting for 12.6 percent and 6.3 percent, respectively (36 and 18 notices). For the three-year period from 2020 through 2022, the highest number of notices were from Chinese investors, accounting for 13.0 percent (97 notices), followed by Japanese and Singaporean investors, accounting for 8.1 percent each (60 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 were from investors from Singapore, followed by the United Kingdom. Investors from Canada and Japan both had the third highest number of distinct notices, followed by China, France, and South Korea (which each had the same number of notices).

Table I-13. Covered Transaction Notices by Acquirer Home Country or Economy 2020-2022

Covered Transaction Notices by Acquirer Home Country or Economy, 2020-2022				
Country/Economy	2020	2021	2022	Total
Australia	10	4	6	20
Austria	0	3	4	7
Bahrain	0	0	1	1
Belgium	0	1	1	2
Bermuda	1	0	1	2
Brazil	2	2	3	7
British Virgin Islands	1	1	4	6
Canada	11	28	17	56
Cayman Islands	5	18	10	33
Chile	1	1	1	3
China	17	44	36	97
Croatia	0	0	1	1
Czech Republic	1	3	2	6
Denmark	2	5	2	9
Dominican Republic	0	0	1	1
Finland	2	1	2	5
France	11	13	14	38
Germany	7	10	10	27
Guernsey	3	3	6	12

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Covered Transaction Notices by Acquirer Home Country or Economy, 2020-2022				
Country/Economy	2020	2021	2022	Total
Hong Kong	3	0	0	3
India	6	1	3	10
Ireland	2	2	9	13
Isle Of Man	0	0	1	1
Israel	6	12	9	27
Italy	3	4	3	10
Japan	19	26	15	60
Jersey	3	2	2	7
Kuwait	1	0	2	3
Lebanon	1	2	0	3
Liechtenstein	0	1	1	2
Luxembourg	5	4	5	14
Malaysia	1	0	0	1
Malta	0	0	1	1
Mauritius	0	0	1	1
Mexico	0	2	2	4
Netherlands	6	5	1	12
New Zealand	0	0	3	3
Norway	1	2	1	4
Philippines	1	0	0	1
Portugal	4	7	2	13
Qatar	2	2	1	5
Russia	0	7	1	8
Saudi Arabia	0	3	4	7
Singapore	10	13	37	60
South Africa	1	1	1	3
South Korea	2	13	14	29
Spain	3	0	4	7
Sweden	10	5	9	24
Switzerland	2	1	1	4
Taiwan	4	4	3	11
Thailand	0	2	2	4
Turkey	1	0	1	2

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Covered Transaction Notices by Acquirer Home Country or Economy, 2020-2022				
Country/Economy	2020	2021	2022	Total
Ukraine	0	1	1	2
United Arab Emirates	2	0	6	8
United Kingdom	14	13	18	45
Total	187	272	286	745

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 2020 to 2022. Together, the Finance, Information, and Services sector and the Manufacturing sector accounted for approximately 81 percent of all non-real estate notices during this three-year period. The Mining, Utilities and Construction sector accounted for 12 percent of notices while the Wholesale Trade, Retail Trade and Transportation sector accounted for 6 percent.

Notices from China, Japan, and Singapore together accounted for approximately 29 percent of notices filed from 2020 to 2022. The distribution of notices from these countries were generally consistent with the overall distribution of notices across the four industry sectors although Canada had the most notices in the Mining, Utilities and Construction sector, consistent with previous years' reports.

Table I-14. Covered Transaction Notices by Acquirer Home Country or Economy and Target Sector, 2020-2022¹⁵

Covered Transaction Notices by Acquirer Home Country or Economy and Target Sector, 2020-2022					
Country/Economy	Manufacturing	Finance, Information and Services	Mining, Utilities and Construction	Wholesale Trade, Retail Trade and Transportation	Total
Australia	1	13	4	2	20
Austria	6	1	0	0	7
Bahrain	0	1	0	0	1
Belgium	1	0	1	0	2
Bermuda	0	2	0	0	2
Brazil	2	3	1	1	7
British Virgin Islands	0	3	3	0	6
Canada	9	27	13	5	54
Cayman Islands	5	27	1	0	33
Chile	2	1	0	0	3

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

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Covered Transaction Notices by Acquirer Home Country or Economy and Target Sector, 2020-2022					
Country/Economy	Manufacturing	Finance, Information and Services	Mining, Utilities and Construction	Wholesale Trade, Retail Trade and Transportation	Total
China	28	59	3	7	97
Croatia	0	1	0	0	1
Czech Republic	3	3	0	0	6
Denmark	1	1	6	1	9
Dominican Republic	0	1	0	0	1
Finland	2	2	1	0	5
France	11	18	6	3	38
Germany	11	12	3	1	27
Guernsey	3	9	0	0	12
Hong Kong	2	0	0	1	3
India	3	7	0	0	10
Ireland	2	11	0	0	13
Isle Of Man	0	0	0	1	1
Israel	10	8	9	0	27
Italy	6	3	0	1	10
Japan	27	20	8	5	60
Jersey	3	3	0	1	7
Kuwait	0	2	0	1	3
Lebanon	2	0	0	1	3
Liechtenstein	1	1	0	0	2
Luxembourg	6	6	2	0	14
Malaysia	1	0	0	0	1
Malta	0	1	0	0	1
Mauritius	1	0	0	0	1
Mexico	2	2	0	0	4
Netherlands	3	6	3	0	12
New Zealand	3	0	0	0	3
Norway	3	1	0	0	4
Philippines	0	1	0	0	1
Portugal	0	0	10	0	10
Qatar	3	2	0	0	5

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Covered Transaction Notices by Acquirer Home Country or Economy and Target Sector, 2020-2022					
Country/Economy	Manufacturing	Finance, Information and Services	Mining, Utilities and Construction	Wholesale Trade, Retail Trade and Transportation	Total
Russia	4	4	0	0	8
Saudi Arabia	2	5	0	0	7
Singapore	6	46	3	5	60
South Africa	1	2	0	0	3
South Korea	12	12	3	2	29
Spain	3	2	2	0	7
Sweden	8	15	1	0	24
Switzerland	1	1	1	1	4
Taiwan	9	0	0	1	10
Thailand	1	1	2	0	4
Turkey	0	0	1	0	1
Ukraine	0	0	0	2	2
United Arab Emirates	0	8	0	0	8
United Kingdom	15	22	3	5	45
Total	225	376	90	47	738

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 abide by 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 to address specific national security concerns identified during the review or investigation of the withdrawn transaction.

In 2022, CFIUS approved the withdrawal of 88 notices. Parties withdrew one notice during the review phase and withdrew 87 notices after the commencement of the investigation period. In 68 of these instances, the parties filed a new notice in either 2022 (53 notices refiled) or 2023 (15 notices refiled). 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.¹⁶

In twelve 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 eight 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.

¹⁶ See subsection I-F for further details on mitigation measures.

F. Mitigation Measures and Conditions

Section 721(l), as amended by FIRRMA, provides that the Committee may use measures to mitigate national security risks both in cases for which CFIUS concludes action (i.e., clears the case to proceed) and in cases for which a party to the transaction has voluntarily chosen to abandon the transaction. In 2022, CFIUS adopted mitigation measures and conditions in 52 instances (approximately 18 percent of the total number of 2022 notices):

- CFIUS concluded action after adopting mitigation agreements with respect to 41 notices of covered transactions (approximately 23 percent of the distinct 2022 notices). Seven CFIUS agencies served as the U.S. Government signatories to these agreements.
- CFIUS adopted mitigation agreements to address residual national security concerns with respect to three notices that were voluntarily withdrawn and abandoned. Two CFIUS agencies served as the U.S. Government signatories to these agreements.
 - Separately, in letters issued by Treasury granting the withdrawal and abandonment for five notices, conditions were imposed. However, these did not involve mitigation agreements.
- Measures were imposed to mitigate interim risk with respect to three notices filed in 2022.

Committee member agencies have adopted practices and procedures to evaluate and ensure that parties to a covered transaction remain in compliance with any risk mitigation measures and conditions under Section 721 that CFIUS adopts. For all mitigation measures and conditions executed since FINSA became effective, Treasury, as Chair of CFIUS, has designated at least one U.S. Government agency as a lead agency for monitoring compliance with such measures and conditions. Lead agencies carry out their monitoring responsibilities on behalf of the Committee and regularly report back to the Committee. As described below, all lead agencies for monitoring mitigation compliance have implemented practices and processes to carry out their responsibilities.

Mitigation measures and conditions negotiated and adopted in 2022 required the businesses involved to take specific and verifiable actions, including, for example:

- prohibiting or limiting the transfer or sharing of certain intellectual property, trade secrets, 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, or 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 recruitment and 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 and/or member of the board of directors and requirements for security policies, annual reports, and independent audits;

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- 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;
- security protocols to ensure the integrity of products or software sold to the U.S. Government;
- notifying customers or relevant U.S. Government parties when there is a change of ownership in the U.S. business;
- 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;
- exclusion of certain sensitive U.S. assets from the transaction;
- ensuring that only authorized vendors supply certain products or services;
- 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
- divestiture by the foreign acquirer of all or part of the U.S. business.¹⁷

CFIUS agencies use a variety of means to monitor and enforce compliance by the companies that are subject to the measures, including:

- periodic reporting to U.S. Government agencies by the companies;
- on-site compliance reviews by U.S. Government agencies;
- third-party audits or monitors when provided for by the terms of the mitigation measures; and
- investigations and remedial actions if anomalies or breaches are discovered or suspected, including the imposition of penalties or unilateral initiation of 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 CFIUS agencies monitor compliance through a number of internal practices and procedures, including:

- assigning staff responsibilities for the monitoring of compliance;
- designing tracking systems to monitor required reports; and
- instituting internal instructions and procedures to ensure that in-house expertise is drawn upon to analyze compliance with measures.

¹⁷ Divestiture of all of a U.S. business is an option parties may consent 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.

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 transaction 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, 2008¹⁸, and which remains relevant for the reporting period 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 and 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

¹⁸ See 73 Fed. Reg. 74567 (Dec. 8, 2008).

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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 an 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 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;

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- 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 –
 - a. identified by the Secretary of State¹⁹ –
 - 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;

¹⁹ 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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- 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, on September 15, 2022, President Biden issued Executive Order 14083 “Ensuring Robust Consideration of Evolving National Security Risks by the Committee on Foreign Investment in the United States.” This Executive Order reflects the evolving national security threat landscape and 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. It did not alter CFIUS authorities but sharpened the Committee’s focus on several national security risk factors including 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.

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 on the 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.

Of the mitigation agreements and conditions entered into by the Committee, 214 are currently being monitored. Twenty-two mitigation agreements and conditions were modified materially in 2022, including 16 of those that were terminated. All of the 44 mitigation agreements that were entered into for transactions filed in 2022 have compliance plans.

For each of the agreements monitored by the Committee, CFIUS and the monitoring agencies have worked to ensure compliance by the parties. Monitoring agencies reported having conducted 44 site visits in 2022. Where monitoring agencies identified instances of noncompliance in mitigation agreements and conditions, they assessed the noncompliance and worked with the parties to achieve remediation, as appropriate. The Committee did not assess or impose penalties or initiate a unilateral review of a transaction pursuant to Section 721(b)(1)(D)(iii) during 2022.

As a general matter, during the reporting period, where mitigation agreements in the form of National Security Agreements (NSAs) negotiated and signed by the lead agency or agencies included provisions regarding a third-party monitor, the NSA also includes a provision to ensure that conflicts of interest between the monitor and transaction parties do not arise.

CFIUS will continue engaging with parties subject to mitigation agreements or conditions and independent monitors to improve compliance, engaging more broadly with industry, advisors, and practitioners to encourage a culture of compliance, and increasing staff resources dedicated to monitoring and enforcement activities. CFIUS will also continue to assess noncompliance on a case-by-case basis as it evaluates whether civil penalties or other measures should be implemented.

I. Non-Notified Transactions

CFIUS used various methods to identify non-notified and non-declared transactions in 2022 including interagency referrals, tips from the public, media reports, commercial databases, and congressional notifications.

CFIUS continues to identify potential methods to enhance the identification of non-notified and non-declared transactions including continued hiring of dedicated staff and increased training and attention of existing staff across CFIUS member agencies to further coordination and effective identification of transactions to pursue. CFIUS also continues to learn from its efforts to establish, centralize, and grow its staff devoted to this issue, and over time the team has become more sophisticated in its 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. Such cases often require mitigation measures to address national security risks.

There were 84 transactions identified through the established process in 2022 that were put forward to the Committee for consideration. Of those 84 transactions, 11 resulted in a request for filing. In addition to those 11 requests, eight non-notified transactions that were identified in prior calendar years resulted in a 2022 request for filing. The reportable number of potential non-notified transactions identified through the established process does not reflect instances where the parties decide to voluntarily file a declaration or notice upon receipt of non-notified-related outreach but prior to a formal request, nor does it reflect the much larger number of transactions considered by the Committee—including individual member agencies—as potential non-notified transactions, which regularly number in the thousands.

The volume of overall non-notified transactions that were put forward to the Committee for consideration may continue to decrease as CFIUS works through its consideration of transactions that pre-date the Committee's current, increased level of resources. For example, in 2020, approximately 80 percent of the Committee's work in this regard focused on pre-FIRRMA transactions, whereas that number reduced to approximately 26 percent in 2021; it is now less than one percent. CFIUS is now primarily focused on monitoring more recent foreign investments for potential non-notified and non-declared transactions, but will continue to assess pre-FIRRMA transactions as new information becomes available to the Committee.

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 acknowledges and 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 established and grown 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 is redoubling its efforts to grow its staff commensurate with the increased workload of the Committee across all functions since the passage of FIRRMA. In addition to growing the case officer and managerial ranks, Treasury for the first time is hiring individuals for their specific technical expertise across a variety of disciplines, such as cybersecurity, natural and formal sciences, and enforcement.

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 governments 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 (collectively the 2022 critical technology transactions) 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, Provisions Pertaining to Certain Investments in the United States by Foreign Persons (the CFIUS regulations), published in the Federal Register on January 17, 2020. 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. Summary of Foreign M&A Activity in the United States

Using the methodology described in the Appendix, CFIUS reviewed 181 covered transactions involving acquisitions of U.S. critical technology companies in 2022. This number reflects total volume of cases 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 acquisitions of U.S. critical technology companies reviewed by CFIUS in 2022. 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 2022 Covered Transactions

Home Country or Geographic Economy	2022
Japan	16
France	14
Canada	13
United Kingdom	13
South Korea	12
Singapore	11
Sweden	11
Germany	9
Ireland	9
China	8
Israel	5
Luxembourg	5
Austria	4
Jersey	4
Saudi Arabia	4
Australia	3
Cayman Islands	3
Guernsey	3
Italy	3
New Zealand	3
Norway	3
Brazil	2
Czech Republic	2
India	2
Netherlands	2
United Arab Emirates	2
Bahrain	1
Belgium	1

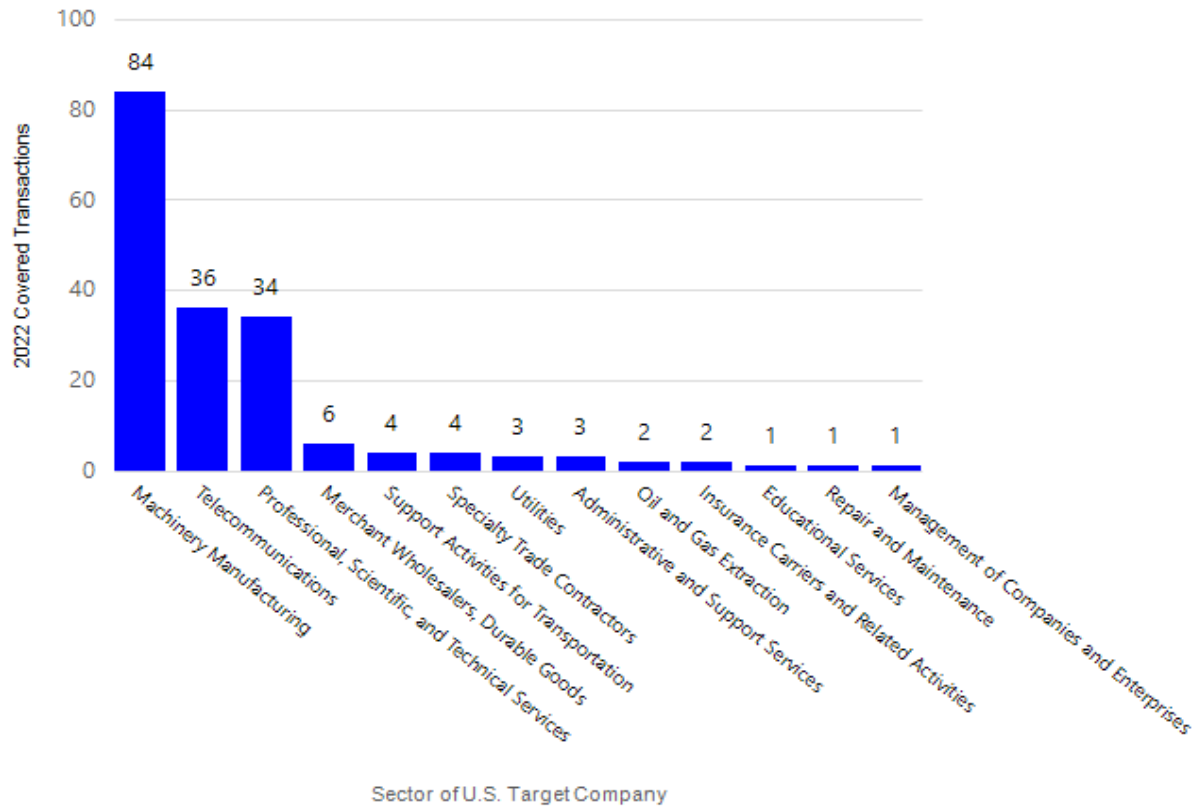
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Home Country or Geographic Economy	2022
British Virgin Islands	1
Chile	1
Denmark	1
Finland	1
Isle Of Man	1
Malta	1
Mauritius	1
Mexico	1
Qatar	1
Russia	1
Spain	1
Taiwan	1
Ukraine	1

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As shown in Figure II-1 below, the largest number of notices filed with CFIUS in 2022 involved foreign acquisitions of U.S. companies in the Machinery Manufacturing sector.

Figure II-1: Critical Technology Transactions by Sector of U.S. Target Company, 2022



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) 2023 Annual Threat Assessment and 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 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 (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 FINSAs that were completed between January 1, 2022, and December 31, 2022 (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 subject M&A transactions with publicly reported values was \$3.9 billion. As described in subsection III-C below, not all publicly announced transactions are reported with dollar values, so the actual value of subject M&A transactions is greater than \$3.9 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 2022, 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)²⁰ 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 FINSAs 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 2022, CFIUS interpreted section 7(c)(1)(B) of FINSAs 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.²¹

²⁰ 87 Fed. Reg. 145 (Jan. 3, 2022); 87 Fed. Reg. 19737 (Apr. 5, 2022); 87 Fed. Reg. 39931 (Jul. 5, 2022); 87 Fed. Reg. 59866 (Oct. 3, 2022); 87 Fed. Reg. 79065 (Dec. 23, 2022).

²¹ 87 Fed. Reg. 31051 (May 20, 2022).

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,²² 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.

²² 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 16 M&A transactions in 2022 involving investors from Iran, Kuwait, Qatar, and Saudi Arabia, which are countries that comply with any boycott of Israel.

The study included one M&A transaction in 2022 involving investors from Iran, which is also identified as not cooperating fully with U.S. antiterrorism efforts.

Thirteen of the 16 identified transactions had reported values. The combined value of the reported values is approximately \$3.9 billion. Data sources consulted for this study did not report, and Treasury staff were unable to determine independently, values for three of the 16 transactions analyzed. As a result, the value of the 16 transactions is necessarily greater than \$3.9 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	2022 Transactions	Known Transaction Value (\$ million)
Saudi Arabia	9	\$2,822
Qatar	4	\$386
Kuwait	2	\$667
Iran	1	\$5
Total	16	\$3,880

The 16 transactions represent several major sectors of the economy. Table III-2 shows the various sectors represented by the 16 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	2022 Transactions	Known Transaction Value (\$ million)
Finance, Information and Services	8	\$212
Manufacturing	5	\$3,001
Wholesale Trade, Retail Trade and Transportation	3	\$667
Total	16	\$3,880

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

Each of the 16 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 2022, 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 2022. 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 2022 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 2022 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 2022 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 2022, 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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