



U.S. Department of the Treasury

Office of Investment Security

FACT SHEET: Treasury Department Issues Notice of Proposed Rulemaking on Implementation of the Comprehensive Outbound Investment National Security (COINS) Act

Background

On October 22, 2026, the U.S. Department of the Treasury (Treasury) issued a Notice of Proposed Rulemaking (NPRM) setting forth the proposed regulations that would implement Subtitle C of the Comprehensive Outbound Investment National Security (COINS) Act. The COINS Act establishes a statutory framework for the Secretary of the Treasury to (1) require United States persons to provide notification to Treasury regarding certain transactions involving covered foreign persons that are engaged in notifiable technologies, and (2) prohibit United States persons from engaging in certain other transactions involving covered foreign persons that are engaged in prohibited technologies.

The COINS Act builds upon the framework for regulating certain outbound investments by U.S. persons under Treasury's existing Outbound Investment Security Program (OISP) and the regulations at 31 C.F.R. Part 850.

In passing the COINS Act, Congress made clear that restricting certain U.S. outbound investments into dual-use strategic technologies that benefit a foreign adversary's military modernization efforts, surveillance states, and human rights abuses is necessary to prevent harm to U.S. national security and foreign policy interests. In addition, Congress stated that the President should exercise the authorities granted in the COINS Act to prevent countries of concern from exploiting U.S. capital to undermine U.S. national security and foreign policy interests.

The Trump Administration is committed to keeping America safe and the implementation of the COINS Act is consistent with maintaining a strong, open investment environment that benefits our economy and our people while protecting our national security interests.

Treasury values public feedback regarding the implementation of the COINS Act and will carefully consider written input received during the NPRM comment period, which concludes on December 7, 2026.

Key Elements of the NPRM

The following provides a general overview of the key elements of the NPRM. The full text of the NPRM should be referred to for further details, including definitions of terms used herein.

- ***Requirements on U.S. persons and their controlled foreign entities:*** The NPRM would place obligations on U.S. persons (along with obligations related to their controlled foreign entities), including requiring notification to Treasury for certain transactions and prohibiting certain other transactions. A U.S. person would include any United States citizen or lawful permanent resident, as well as any entity organized under the laws of the United States or any jurisdiction within the United States, including any foreign branch of any such entity, and any person in the United States. A controlled foreign entity would include an entity incorporated in, or otherwise organized under the laws of, a country other than the United States of which a U.S. person is a parent.
- ***Knowledge standard:*** A U.S. person would be subject to those obligations under the proposed rule if such person had knowledge of relevant facts or circumstances related to a transaction. The proposed rule would elaborate on what it means for a person to have knowledge of a fact or circumstance. Under the proposed standard, a U.S. person may be assessed to have knowledge if the U.S. person possesses actual knowledge that the fact or circumstance exists or is substantially certain to occur, if the U.S. person possesses an awareness of a high probability of the existence or future occurrence of the fact or circumstance, or if the U.S. person could have possessed such information through a reasonable and diligent inquiry. To provide clarity, the proposed rule would include factors that Treasury could consider in assessing whether a U.S. person undertook a reasonable and diligent inquiry.
- ***Specific categories of covered national security transactions:*** The NPRM would apply to certain transactions by U.S. persons, including the acquisition of an equity interest or contingent equity interest; certain debt financing that is convertible to an equity interest or that affords certain rights to the lender; entrance into a joint venture; the conversion of a contingent equity interest; a greenfield investment or other corporate expansion; a U.S. person's direction of certain transactions by a foreign person; and certain investments as a limited partner (LP) or equivalent in a non-U.S. person pooled investment fund.
- ***Involving covered foreign persons:*** The proposed rule would apply to certain transactions by a U.S. person that involve a covered foreign person—that is, a foreign person that is a citizen or permanent resident of a country of concern (and not a U.S. citizen or permanent resident of the United States); an entity that is incorporated in, has a principal place of

business in, or is otherwise organized under the laws of a country of concern; an individual member of the Central Committee of the Chinese Communist Party or otherwise a member of the political leadership of a country of concern; the government of a country of concern or any person acting for or on behalf a government of a country of concern; or an entity that is directly or indirectly majority-owned or subject to the direction or control by any persons or entity in any of the aforementioned categories. Additionally, the proposed rule would define a covered foreign person to include an entity that holds a voting interest, board seat, or equity interest in one or more covered foreign persons where more than 50 percent of one of several key financial metrics of the entity is attributable to such covered foreign person or persons.

- ***With ties to a country of concern:*** The COINS Act—and the proposed rule—define a “country of concern” as the People’s Republic of China (including Hong Kong and Macau), the Republic of Cuba, the Islamic Republic of Iran, the Democratic People’s Republic of Korea, the Russian Federation, and the Bolivarian Republic of Venezuela under the regime of Nicolás Maduro Moros. (The Frequently Asked Questions section below addresses Venezuela’s treatment under the OISP.)
- ***Engaged in a notifiable technology or prohibited technology:*** The proposed rule would apply to covered national security transactions involving covered foreign persons that are engaged in a notifiable technology or prohibited technology. These terms are defined as certain activities related to the following sectors: semiconductor technology and microelectronics; super intelligence (SI) systems¹; quantum information technologies; high-performance computing and supercomputing; hypersonic systems; and biotechnology. A covered national security transaction with or involving a covered foreign person engaged in a notifiable technology is a notifiable transaction; a covered national security transaction with or involving a covered foreign engaged in a prohibited technology is a prohibited transaction.
- ***Excepted transactions:*** The proposed rule would except certain types of transactions from coverage.
 - ***Publicly traded securities:*** An investment by a U.S. person in a security that trades on an exchange or the over-the-counter market in any jurisdiction.
 - ***Investment company securities:*** An investment in a security issued by an investment company, such as an index fund, mutual fund, or exchange traded fund.
 - ***Certain LP investments:*** A U.S. person LP or equivalent’s investment in a non-U.S. venture capital fund, private equity fund, fund of funds, or other pooled investment fund, where the U.S. person’s committed capital does not exceed \$2 million or the investment is subject to a specific binding contractual assurance.
 - ***Derivatives:*** An investment by a U.S. person in a derivative of any publicly traded security, investment company security, or LP investment.

¹ On September 29, 2026, Executive Order 14434 (91 FR 63129), “Inaugurating the Era of Super Intelligence,” was issued. Section 2 of Executive Order 14434 requires executive departments and agencies to use “Super Intelligence” and “SI” in place of “Artificial Intelligence” and “AI” in certain documents. As discussed in the NPRM, the proposed rule uses the term “super intelligence systems” (SI systems) in place of the term “AI Systems,” which is used in the current OISP regulations at 31 C.F.R. Part 850.

- ***Buyouts of covered foreign person ownership:*** A U.S. person's full buyout of all covered foreign person equity or other interest in an entity or assets located outside of a country of concern.
 - ***Intracompany transfers:*** Certain intracompany transfers of funds from a U.S. person to its controlled foreign entity.
 - ***Pre-existing binding capital commitments:*** A transaction fulfilling a binding, uncalled, capital commitment entered into prior to the effective date of the final rule.
 - ***Certain syndicated debt financings:*** The acquisition by a U.S. person, as a member of a lending syndicate, of a voting interest in a covered foreign person upon default if the U.S. person cannot initiate any action vis-à-vis the debtor and is not the syndication agent.
 - ***Receipt of employment compensation:*** A U.S. person's receipt of an award of equity or the grant of an option to purchase equity in a covered foreign person as compensation for employment, or the exercise of such an option.
 - ***De minimis transactions:*** Transactions by a U.S. person that, in the aggregate across the preceding 12 months, do not exceed \$50,000 (for an exception from the notification requirement only).
 - ***Secondary transactions:*** Transactions secondary to a covered national security transaction, including certain contractual arrangements or procurement of material inputs for a covered national security transaction; bank lending; processing, clearing or sending of payments by a bank; and underwriting services (including the temporary acquisition of an equity interest for the sole purpose of facilitating underwriting services).
 - ***Ancillary transactions:*** Transactions undertaken by a financial institution, *i.e.*, processing, clearing, or sending of payments and cash transactions for or to a covered foreign person; underwriting services; credit rating services on behalf of a covered foreign person; and other services ordinarily incident to and part of the provision of financial services on behalf of a covered foreign person.
 - ***Third country measures:*** Certain transactions involving a person of a country or territory outside of the United States may be excepted transactions where the Secretary of the Treasury has determined that the country or territory is addressing national security risks posed by outbound investment and the transaction is of a type for which associated national security concerns are likely to be adequately addressed by the actions of that country or territory.
 - ***Transactions prior to COINS Act:*** Transactions completed before the enactment of Title VIII of the COINS Act on December 18, 2025 (though certain transactions may be subject to the existing regulations at 31 C.F.R. Part 850).
 - ***Limitation on certain exceptions:*** Certain exceptions would not apply where a U.S. person's investment affords the U.S. person governance rights beyond standard minority shareholder protections.
- ***National interest exemption:*** Under the proposed rule, a U.S. person could request an exemption from the application of the prohibition on the basis that a transaction is in the national interest of the United States.

- ***Notification requirements:*** A U.S. person subject to the notification requirement under the proposed rule would be required to file a notification form with Treasury that includes pertinent information related to the transaction. The NPRM proposes that a notification must be filed no later than 30 days after a transaction is completed or, where a U.S. person acquires actual knowledge after the completion date of a transaction that the transaction would have been a covered national security transaction if such knowledge had been possessed at the time of the transaction, no later than 30 days after the U.S. person's acquisition of such knowledge.
- ***Non-binding feedback:*** The proposed rule provides a process for eligible persons to request non-binding feedback from Treasury regarding whether a transaction would constitute a prohibited transaction. Only a person with a direct financial interest in an actual, non-hypothetical transaction may request feedback, and the submission request must include all relevant and material information bearing on whether the transaction would constitute a prohibited transaction. The requester may seek anonymized public guidance or confidential non-binding feedback. Treasury may respond to a complete request by providing anonymized public guidance, issuing confidential written feedback, or declining to provide feedback.
- ***Mechanism for submitting confidential information regarding covered foreign persons:*** The proposed rule provides a process by which any person may submit evidence on a confidential basis with respect to whether a foreign person is a covered foreign person engaged in a prohibited technology or notifiable technology.

Notifiable Technology and Prohibited Technology

The COINS Act lists five technology areas within the statutory definitions of notifiable technology and prohibited technology and gives the Secretary of the Treasury the authority to define the technical parameters of technologies in those areas as reasonably needed for national security. The COINS Act further gives the Secretary the authority to add and define technology areas that enable the military, intelligence, surveillance, or cyber-enabled capabilities of a country of concern. Below is a high-level summary of what the proposed rule would cover with respect to the technology areas.

- ***Semiconductor Technology and Microelectronics:***
 - maintains the existing prohibition on U.S. person investment into certain electronic design automation software, fabrication or advanced packaging equipment, the design or fabrication of certain advanced integrated circuits (ICs), advanced packaging techniques for ICs;
 - expands the prohibition to include radiation-hardened ICs, photonic ICs, high-bandwidth memory, and additional categories of advanced ICs; and
 - maintains the existing notification requirement for any IC activity not otherwise prohibited.

- *SI Systems:*
 - expands the existing prohibition to more broadly restrict U.S. person investment into country of concern entities that develop any SI system, which would eliminate the existing notification requirement for these transactions.
- *Quantum Information Technologies:*
 - maintains the existing prohibition on U.S. person investment into quantum computers and critical components for quantum computers, quantum sensing platforms, and quantum networks or quantum communication systems;
 - expands the prohibition to cover U.S. person investment into the development of algorithms or applications for quantum computing.
- *High-Performance Computing and Supercomputing:*
 - maintains the existing prohibition for U.S. person investment into supercomputers;
 - expands the prohibition to include additional categories of advanced ICs (as noted in the section above on semiconductors and microelectronics); and
 - adds a notification requirement for high-bandwidth, low-latency interconnects.
- *Hypersonic Systems:*
 - adds a prohibition on U.S. person investment in hypersonic systems or a propulsion system capable of enabling hypersonic flight, certain related and enabling technologies associated with hypersonic systems, certain materials designed to withstand atmospheric conditions at hypersonic speeds, and facilities capable of testing a hypersonic system; and
 - adds a notification requirement for U.S. person investment in sensors, control equipment, and software for hypersonic systems and, as well as additional dual-use materials capable of use in a hypersonic system.
- *Biotechnology:*
 - adds a new prohibition on U.S. person investment into certain bio-derived compounds or materials; brain computer interfaces; biomanufacturing equipment and facilities; biotechnology or equipment involved in biological design, sequencing, and other activities; bioinformatics tools; and hardware or software for automated scientific discovery or experimentation.

Violations

The proposed rule outlines the penalty and disclosure framework for violations:

- ***Penalties:*** A violation would be subject to civil penalties up to the maximum amount set forth in the International Economic Emergency Powers Act (IEEPA).
- ***Divestment:*** The Secretary of the Treasury may compel the divestment of a covered national security transaction in a prohibited technology.

- ***Voluntary self-disclosure:*** The proposed rule provides a process for a U.S. person to submit a voluntary self-disclosure if they believe their conduct may have constituted a violation of the proposed rule. Such self-disclosure would be taken into consideration during Treasury's determination of the appropriate response to the self-disclosed violation. The proposed rule additionally identifies the information that must be provided to Treasury as part of a voluntary self-disclosure.

The NPRM seeks public comment on the entirety of the proposed rule and specifically asks questions for consideration and feedback related to the definitions and other elements of the program. The public will have until December 7, 2026, to provide comments, and Treasury encourages feedback to inform the development of the final regulatory text which will be issued at a later date.

The NPRM can be accessed via <https://home.treasury.gov/policy-issues/international/outbound-investment-program/>.

Frequently Asked Questions

Why is Treasury issuing these regulations?

The COINS Act directs the Secretary of the Treasury, in consultation with the Secretary of Commerce, Secretary of State, and, as appropriate, the heads of other relevant Federal departments and agencies, to issue or update existing regulations, subject to public notice and comment, to implement certain provisions of Subtitle C of the COINS Act not later than 450 days after enactment. The NPRM proposes draft regulatory text that includes specific requirements for U.S. persons with respect to certain transactions involving foreign persons engaged in a prohibited technology or notifiable technology. Where consistent with the COINS Act, the NPRM incorporates definitions and concepts from the current regulations governing the OISP found at 31 C.F.R. part 850.

Treasury welcomes comments from a wide range of stakeholders on all aspects of how the Secretary of the Treasury should implement this program. Treasury will carefully consider this input before issuing a final rule at a later date.

Additional information is available at <https://home.treasury.gov/policy-issues/international/outbound-investment-program/>.

What is an NPRM?

An NPRM is a proposed rule intended to provide the public with details on a proposed regulatory program—in this case, the updated OISP—and solicit public feedback to inform the development of the final regulations.

When does the rule take effect?

The NPRM proposes regulatory text for public consideration and does not itself implement Subtitle C of the COINS Act. Treasury will carefully consider comments submitted during the NPRM

comment period to develop a final rule that will implement Subtitle C of the COINS Act and will set an effective date. That effective date will be published in the final rule.

When does the public comment period on the proposed rule end?

Written comments on the NPRM may be submitted during the public comment period, ending on December 7, 2026.

Who may submit comments during the public comment period and how?

Any person, including an individual, business, or organization may submit comments electronically through the Federal Government's eRulemaking Portal at <https://www.regulations.gov>. Comments may be submitted anonymously or with attribution.

What are the key differences between the NPRM and the existing OISP?

The COINS Act provides statutory authority to the Secretary of the Treasury to restrict certain U.S. investments in sensitive technology sectors in a country of concern and thus authorizes a program that is broadly similar to the existing OISP. Key differences between the NPRM and the existing OISP include:

- Addition of sensitive technology sectors to include 1) high-performance computing and supercomputing; 2) hypersonic systems; and 3) biotechnology.
- Expansion of the number of countries of concern to include Cuba, Iran, North Korea, Russia, and the Maduro regime of Venezuela. Venezuela's treatment under the OISP is addressed below in the FAQ.
- Updates to the technology sectors under the existing OISP including a prohibition on U.S. person investments in covered foreign persons engaged in the development of SI systems.
- Addition of new exceptions to covered national security transactions, including transactions of *de minimis* value (*i.e.*, \$50,000); underwriting services, including the temporary acquisition of an equity interest for the sole purpose of facilitating underwriting services; and bank lending.
- Creation of a process for a party with a financial interest in a covered national security transaction to request non-binding feedback regarding whether a transaction is prohibited.

Can U.S. persons still invest in a country of concern?

The United States supports an open investment environment where consistent with the protection of U.S. national security, and the proposed rule would not prohibit all investment activity in countries of concern. Rather, the OISP would target certain types of investments in entities located in or connected to a country of concern that are engaged in dual-use strategic technologies that benefit a foreign adversary's military modernization efforts, surveillance states, and human rights abuses. In these areas, countries of concern may exploit U.S. capital to undermine U.S. national

security and foreign policy interests. The NPRM is focused on discrete categories of transactions involving specific technologies in an effort to protect national security, maximize compliance, and minimize unintended consequences. The NPRM also proposes exceptions for certain transactions, including investments in publicly traded securities, certain LP investments, and intracompany transfers between U.S. parents and controlled foreign entities. Other U.S. laws or regulations also may restrict U.S. person investment in countries of concern.

Would this program establish a transaction screening process?

No. Under the NPRM, U.S. persons would be prohibited from undertaking certain transactions and would be required to notify Treasury of certain other transactions. As proposed, the relevant U.S. person undertaking a transaction would have the obligation to determine whether the given transaction is prohibited, permissible but subject to notification, or not covered by the rule because it is either an excepted transaction or not within the jurisdiction of the OISP. A person with a financial interest, however, would be able to seek non-binding feedback from Treasury regarding whether a transaction is prohibited. A U.S. person also could seek a national interest exemption for an otherwise prohibited transaction as set out in the NPRM by following the process described in the proposed rule.

How will U.S. individuals and companies be expected to comply with this program?

As the NPRM describes in detail, the proposed rule would place certain requirements on U.S. persons, including determining whether a proposed transaction is subject to the OISP, and, in certain circumstances, maintaining certain records and notifying Treasury of transactions. The proposed rule would also establish a prohibition on certain U.S. person transactions. To comply with the proposed rule, a U.S. person must undertake a reasonable and diligent inquiry, as described in more detail in the NPRM.

Will U.S. nationals working at foreign entities be affected?

The proposed rule defines a covered national security transaction to include a U.S. person's direction of a foreign person's transaction that the U.S. person knows at the time of the transaction would be a covered national security transaction in a notifiable technology or a prohibited technology if engaged in by a U.S. person. The proposed rule would not prevent a U.S. person from working at an entity that receives investment, nor would it prevent a U.S. person from working at an entity making such an investment.

Are technology licensing, consulting, or procurement contracts covered?

Under the proposed rule, certain transactions that involve the acquisition of equity, provision of debt financing that is convertible to equity or that carries certain rights, greenfield investments or other corporate expansions, the creation of joint ventures, or certain LP investments would be covered. Contractual arrangements (other than those for technology transfer or technical knowledge transfer) or the procurement of material inputs for any covered national security transactions would be explicitly excepted from coverage. Activities that do not meet the definition of a covered national security transaction would not be subject to the program except where they are undertaken to evade or avoid the proposed rule.

Will Treasury publish a list of designated covered foreign persons under the program?

Treasury does not intend to establish such a database at this time. The proposed rule, however, creates a process by which persons can confidentially submit information regarding whether a foreign person is a covered foreign person engaged in a notifiable technology or prohibited technology. In all cases, Treasury expects a U.S. person to conduct a reasonable and diligent inquiry to determine whether a transaction is covered under the rule including whether any covered foreign persons are involved.

What are the penalties for violations of the program?

The COINS Act authorizes the Secretary of the Treasury to investigate violations of the regulations, including pursuing civil penalties up to the maximum amount available under IEEPA. The Secretary of the Treasury also may compel the divestment of a covered national security transaction in a prohibited technology.

Will the current regulations continue to apply following the effective date of a final rule implementing the COINS Act?

The regulations at 31 C.F.R. Part 850 will continue to apply to activities of U.S. persons that occurred on or after January 2, 2025—the effective date of those regulations—and prior to the effective date of the final rule. The proposed rule includes language regarding the applicability of 31 C.F.R. Part 850.

Is Venezuela a country of concern?

The COINS Act and the NRPM define a country of concern to include the Bolivarian Republic of Venezuela under the regime of Nicolás Maduro Moros. That regime no longer exists. On March 5, 2026, the United States recognized Delcy Rodríguez as the head of state of Venezuela and her government is not the regime of Nicolás Maduro Moros. Therefore, Venezuela does not meet the NRPM's definition of a country of concern. Nevertheless, U.S. investors should carefully ascertain whether the proposed rule applies to investments in Venezuela entities, because the proposed rule could apply to certain investments outside of a country of concern.