



Outbound Investment Security Program

Factors Related to a Designation Under 31 CFR § 850.501(g) Regarding Countries or Territories Outside the United States

January 17, 2025

Pursuant to 31 CFR § 850.501(g), a transaction that would otherwise be a covered transaction under 31 CFR § 850.210(a) is an excepted transaction where it is with or involving a person of a country or territory outside the United States designated by the Secretary of the Treasury (Secretary), after taking into account whether the country or territory is addressing national security risks substantially similar to those described in [Executive Order 14105 of August 9, 2023](#), and related to outbound investment, and the transaction is of a type for which the Secretary has determined that the related national security concerns are likely to be adequately addressed by measures taken or that may be taken by the government of the relevant country or territory. Prior to making any such designation or determination, the Secretary will consult with the Secretary of State, the Secretary of Commerce, and, as appropriate, the heads of other relevant agencies. The Secretary's designations and determinations will be made available through public notice.

Some of the factors that the Secretary will consider when making a designation include:

- (a) the extent to which the country or territory possesses the legal authority to prohibit, require notification of, or otherwise regulate outbound investment transactions in or with persons engaging in activities related to sensitive technologies and products, *e.g.*, in the semiconductors and microelectronics, quantum information technologies, and artificial intelligence (AI) sectors, and the extent to which the country or territory has effectively utilized, or has in place a mechanism to utilize, such authority;
- (b) the extent to which the country or territory possesses legal authority to regulate the export of sensitive technologies and products, *e.g.*, in the semiconductors and microelectronics, quantum information technologies, and AI sectors, to any foreign persons anywhere they may be located, and the extent to which the country or territory has effectively utilized, or has in place a mechanism to utilize, such authority;
- (c) the extent to which the country or territory possesses the legal authority to regulate, for purposes of national security, investment transactions involving persons that are located or incorporated in, or citizens or entities organized under the laws of, the country or territory regardless of whether the persons involved are publicly traded, privately held, or state-owned entities, and the extent to which the country or territory has effectively utilized, or has in place a mechanism to utilize, such authority;



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- (d) the extent to which the country or territory has legal authority to obtain and analyze information concerning, and in fact conducts a comprehensive analysis of:
 - (1) the ultimate owners of the parties to an investment transaction;
 - (2) the persons with key rights relating to important matters affecting the parties to an investment transaction; and
 - (3) the national security risk posed by an investment transaction;
- (e) the extent to which the country or territory monitors and enforces compliance by parties with the legal authorities and mechanisms referenced in (a), (b), and (c);
- (f) the extent to which the country or territory monitors and identifies investment transactions for which the parties to such investment transactions did not notify the government authorities of such country or territory;
- (g) whether the country or territory has in effect an arrangement with the U.S. Government to safeguard national security as it pertains to foreign investment that includes confidentiality and classification requirements regarding sensitive information shared by the U.S. Government with the country or territory;
- (h) the extent to which the country or territory possesses legal authority to share with the U.S. Government information important to the national security analysis of investment transactions, to the extent necessary for national security purposes, and subject to appropriate confidentiality and classification requirements;
- (i) the extent to which the country or territory possesses legal authority to share with the U.S. Government information pertaining to transactions involving (1) persons subject to the jurisdiction of that country or territory; or (2) persons located in that country or territory that otherwise would be subject to 31 CFR part 850; and
- (j) such other factors as the Secretary, in consultation with the Secretary of Commerce and the Secretary of State, considers to be appropriate.