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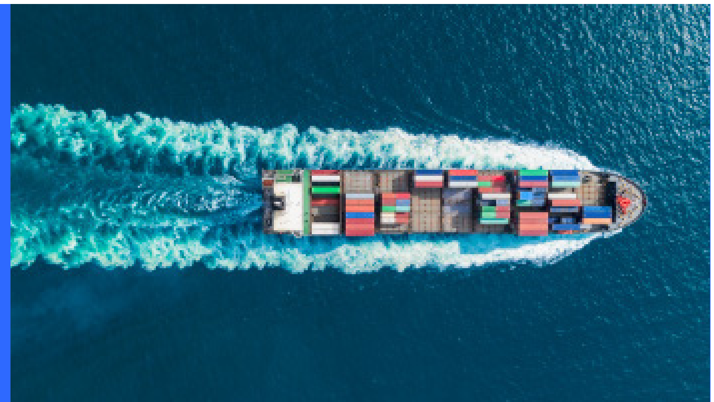

International Trade Advisory & Enforcement Update August 11, 2026

Despite Entering Its “America First” Era, CFIUS Annual Report Illustrates Consistency with Previous Trends

This update highlights key takeaways from CFIUS’s most recent annual report and provides our team’s perspectives on U.S. foreign direct investment review and enforcement trends.

On August 7, 2026, the Committee on Foreign Investment in the United States (CFIUS or the Committee) released its annual report covering calendar year 2025 (the Annual Report). The Annual Report covers the first year of the second Trump Administration and follows the implementation of the America First Investment Policy (discussed in detail in our previous client alert), and accordingly offers the first comprehensive data set against which to measure that policy’s stated goal of streamlining review for allied investors while sharpening scrutiny of investment from foreign adversary countries. In short, the Annual Report reflects consistency with CFIUS reviews in prior years—demonstrating that policies implemented by the Trump Administration did not substantively move the needle during calendar year 2025.

Below, we summarize the Annual Report’s principal data points—filing volumes, declaration usage, mitigation, enforcement, and non-notified activity—and situate them against the policy and rulemaking developments of 2025 and compliance trends of 2026 to date.

1. CFIUS Filing Volumes in 2025 Rose Slightly Against a Recovering M&A Market

The Committee reviewed a total of 347 filings in 2025, consisting of 207 notices and 140 declarations. That represents a 7 percent increase in total filings from 2024 and brings the number of filings to slightly above 2023 numbers, after a brief dip in 2024.

Year-Over-Year Comparison of the Number of CFIUS Filings

Filing Type	**2021**	**2022**	**2023**	**2024**	**2025 (Δ from 2024)**
Notices	272	286	233	209	207 (↓~1%)
Declarations	164	154	109	116	140 (↑~21%)
Total Filings	436	440	342	325	347 (↑~7%)
Distinct Transactions	354	337	287	277	274 (↓~1%)

Source: CFIUS Annual Reports to Congress, CY 2021–CY 2025. Distinct transactions are derived, not reported: total filings less notices withdrawn and re-filed in the same calendar year (52 in 2021, 53 in 2022, 35 in 2023, 31 in 2024, 37 in 2025) less declarations that resulted in a request to file a written notice (30 in 2021, 50 in 2022, 20 in 2023, 17 in 2024, 36 in 2025).

As in prior years, the raw filing count overstates the number of distinct transactions reviewed by the Committee because the notice total includes transactions subject to more than one notice (e.g., where a notice was withdrawn and refiled) as well as declarations that resulted in a request to file a full written notice. After accounting for those duplicates, the Committee would have reviewed approximately 274 distinct transactions in 2025 (representing a marginal drop from the number of distinct transactions reviewed in 2024).

The 2025 filing data should be read against a pronounced rebound in deal activity. S&P Global Market Intelligence recorded $3.13 trillion in global M&A value for 2025.[1] Other providers, applying broader methodologies, put the 2025 total nearer $4.8 trillion—an increase of 36 to 41 percent over 2024 and the second-highest annual total on record, behind only 2021.[2] Deal value for U.S. target companies alone approached $2.6 trillion.[3] Inbound investment rose at least as sharply. Expenditures by foreign direct investors to acquire, establish, or expand U.S. businesses totaled $232.2 billion in 2025, an increase of $76.8 billion, or 49.5 percent, over the $151.0 billion recorded in 2024.[4] Acquisitions of existing U.S. businesses accounted for $218.4 billion of that total, with $4.6 billion spent to establish new U.S. businesses and $9.2 billion to expand existing foreign-owned businesses.[5]

Notably, parties submitting draft notices in 2025 received comments from CFIUS within an average of approximately 5.35 business days, and the Committee averaged 3.44 business days to accept a formal written notice. These averages should be read with the 43-day government shutdown in late 2025 in mind. Acceptance and adjudication of CFIUS filings were formally stalled during the shutdown, and most external-facing deadlines were tolled, leaving transaction parties with extended deal timelines and, in some cases, closing prior to obtaining approvals. The Annual Report notes that statutory case deadlines were tolled during the lapse in appropriations and that timeline figures have been calculated net of days tolled.

2. Declarations Remain a Viable Path for Certain Types of Transactions but Risk Delaying Transaction Closings for Others

Of the 140 declarations submitted in 2025, 51 (~36 percent) were mandatory filings and 7 were real estate filings under Part 802. The Committee cleared 92 declarations (~66 percent), requested a full written notice in 36 instances (~26 percent), was unable to conclude action in 11 instances (~8 percent), and rejected no declarations. One declaration was withdrawn.

The Committee’s approximately 66 percent clearance rate was lower than both 2024 (~78 percent) and 2023 (~76 percent). The rate of requests for written notice, at approximately 26 percent, was the highest in three years (~15 percent in 2024 and ~18 percent in 2023). Filers considering whether to file a declaration or notice should keep these statistics in mind, as having to re-file a declaration as a notice and restarting the review clock may ultimately result in a longer review period than filing a notice initially.

Committee Disposition of Declarations

Committee Action	Number of Declarations (140 total)
Clearance	92 (~66%)
Request Parties File a Written Notice	36 (~26%)
Unable to Conclude Action	11 (~8%)
Rejected	0

3. Mitigation Agreements Remain a Key Tool for CFIUS

CFIUS required mitigation in 15 transactions in 2025, compared to 16 transactions in 2024 and 35 in 2023. As of the end of 2025, the Committee was actively monitoring 234 ongoing mitigation agreements and conditions, down from 242 at the end of 2024. The Committee conducted 40 site visits during the year, down from 79 in 2024.

Mitigation Activity, 2023–2025

Metric	2023	2024	2025
Transactions Requiring Mitigation	35	16	15
Total Agreements/ Conditions Monitored (Year-End)	246	242	234
New Agreements Adopted	36	17	17
Agreements Terminated	15	25	23
Site Visits Conducted	43	79	40

Source: CFIUS Annual Reports to Congress, CY 2023–CY 2025. "Transactions Requiring Mitigation" reflects notices for which CFIUS concluded action after adopting a mitigation agreement. "New Agreements Adopted" reflects mitigation agreements adopted with respect to notices of covered transactions, including agreements in transactions where the parties withdrew their notice and agreed to abandon the transaction.

Although the numbers do not indicate a material difference from prior years, the Committee has signaled a desire to be more strategic in mitigation agreements and to avoid what had been a growing number of potentially complex and open-ended agreements (as described in our previous client alert). That is not to say that the Committee is unwilling to employ potentially costly and intrusive mitigation measures in certain circumstances. Among the Annual Report's examples of mitigation measures implemented in 2025 are the establishment of proxy boards, segregation of computer networks, frequent government reporting requirements, and data storage location restrictions, among others.

4. Trump Administration Puts Its Mark on Multiple CFIUS Initiatives

Despite relative consistency with previous years across relevant filing metrics, the Trump Administration has nevertheless attempted to influence CFIUS policies and procedures to align with its broader national security objectives.

Introduced in February 2025, the America First Investment Policy signaled an intent to streamline review for investors from allied countries and stated that the administration would "cease the use of overly bureaucratic, complex, and open-ended 'mitigation' agreements for United States investments from foreign adversary countries." Despite the stated aims of reducing investor uncertainty and administrative burden, the 2025 mitigation figures (as noted above) remain consistent with 2024, though they represent a notable shift from 2023.

The Known Investor Program (KIP) announced in May 2025 (discussed in detail in our previous client alert) represents another effort by the Trump Administration to streamline CFIUS review for certain frequent filers. That effort was supplemented by the pre-filing consultation function added to the revamped CFIUS website in July 2026—each initiative aimed at engaging filers earlier and reducing the burden on transactions that present minimal national security risk.

The Annual Report also arrives amid a deliberate transparency push by the Committee. In an April 2026 speech, Assistant Secretary for Investment Security Chris Pilkerton expressed a desire to "increase our focus on customer service" by "demystify[ing] the process and increas[ing] transparency and predictability for filers." On July 29, 2026, CFIUS issued a Risk Matrix identifying eight categories of transactions that pose elevated national security risks—critical infrastructure, cybersecurity, information security, personal data security, product integrity, proximity concerns, supply assurance, and technology transfer—and providing sample mitigation measures the Committee has imposed across sectors, as discussed in our recent client alert.

The Annual Report also highlighted the July 2025 Memorandum of Understanding between the U.S. Department of the Treasury and the U.S. Department of Agriculture (USDA), formalizing USDA's role in CFIUS reviews in which agricultural equities are at stake and addressing a long-standing concern of certain CFIUS critics.

5. Enforcement: No Publicly Announced Penalties, but CFIUS Remains Vigilant

The Committee did not publicly announce any civil monetary penalties in 2025, compared to a record five publicly announced penalties in 2024 (four for breaches of material provisions of mitigation agreements and one for material misstatements in a notice and supplemental information). The Committee also reported two formal determinations of noncompliance (so-called "DONT Letters") with mandatory filing requirements. The lack of publicly announced penalties does not, however, indicate that CFIUS enforcement is necessarily down. As noted in the Annual Report, the Committee continues to "receive and act on" voluntary self-disclosures regarding failures to file mandatory declarations and other violations.

Moreover, two presidential decisions were issued in 2025, one requiring the divestment of Jupiter Systems, LLC (Jupiter Systems) by China-based Suirui International Co., Limited and affiliates (collectively Suirui) and one novel determination to overturn President Biden's decision to block the proposed acquisition of United States Steel Corporation (U.S. Steel) by Japan-based Nippon Steel Corporation.

While the U.S. Steel acquisition progressed with mitigation measures imposed, the Jupiter Systems divestment resulted in the first action by a federal district court to enforce a presidential divestment order. As discussed in our previous client alert, when Suirui failed to meet the divestiture deadline, the U.S. government sought injunctive relief. The district court granted the government's request and appointed a receiver to take control of the assets of Jupiter Systems. Although an appeal is pending, the case demonstrates the government's willingness and ability to impose its authority on companies seeking to evade the Committee's requirements.

6. Non-Notified Reviews Remain a Central Focus

In 2025, CFIUS continued to review thousands of transactions for potential non-notified concerns and, consistent with recent years, initiated non-notified reviews for 90 transactions. Of these transactions, CFIUS opened 62 formal inquiries and requested filings for 9 cases. In two additional instances, parties received non-notified outreach and voluntarily filed a declaration or notice before receiving a formal request.

Non-Notified Inquiries, 2022–2025

Non-Notified Metric	2022	2023	2024	2025
Non-Notified Investigations	Not disclosed	Not disclosed	98	90
Formal Inquiries Opened	84	60	76	62
Filings Requested (%)	11 (~13%)	13 (~22%)	12 (~16%)	9 (~15%)
Voluntary Filings After Outreach	Not disclosed	3	5	2

Source: CFIUS Annual Reports to Congress, CY 2022–CY 2025.

These numbers support Assistant Secretary Pilkerton's statement during his 2025 confirmation hearing that reviews of non-notified transactions would remain a priority for the administration. The aforementioned Risk Matrix also carries an implicit warning on this point by taking a broad view of potential national security risk across various commercial sectors. In recent years, the Committee has shown an increasing willingness to exercise its review authority through non-notified outreach, and parties to transactions should carefully weigh the non-notified risk before electing to forgo a voluntary filing.

7. Japan, the UAE, and Canada Lead in Distinct Transactions, but China Again Leads in Total Notices

The Finance, Information, and Services (FIS) sector accounted for approximately 50 percent, or 99 of the 200 non-real estate notices reviewed in 2025. Of these 200 notices, 166 involved acquisitions of U.S. critical technology businesses.

Measured by 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 top notice filers in 2025 were Japan, the United Arab Emirates, and Canada. In terms of overall total notices, however, China retained the top spot for most notices, with 33 total notices, up from 26 in 2024. This trend underscores that Chinese investment in U.S. companies remains possible but subject to elevated scrutiny by CFIUS given the Committee's stated concern regarding "foreign economic, industrial, and cyber espionage" by China and other foreign actors, as discussed in the Annual Report.

The Annual Report underscores that CFIUS remains an important national security tool that the Trump Administration, in line with previous administrations, continues to wield to address national security concerns. Transaction parties should remain aware of the significant implications that CFIUS considerations can have on a variety of transactions and should proactively plan to address such issues early in the deal timeline. We expect the enforcement trends, non-notified reviews, and focus on using CFIUS to address national security issues across a wide variety of industries to continue in the months and years to come.

[1] S&P Global Market Intelligence, "Global Private Equity Deal Value Up 20% in 2025" (Jan. 2026), https://www.spglobal.com/market-intelligence/en/news-insights/articles/2026/1/global-private-equity-deal-value-up-20-in-2025-96746998 (reporting that the total value of global M&A reached $3.13 trillion in 2025).

[2] Bain & Company, "Global M&A Stages Great Rebound in 2025 with $4.8 Trillion Deal Value to Mark Second-Highest Total on Record" (Dec. 11, 2025), https://www.bain.com/about/media-center/press-releases/20252/global-ma-stages-great-rebound-in-2025-with-$4.8-trillion-deal-value-to-mark-second-highest-total-on-record (reporting a projected $4.8 trillion, up 36 percent versus 2024); *see also* Jinny Choi *et al.* PitchBook 2025 Annual Global M&A Report (Jan. 30, 2026), https://pitchbook.com/news/reports/2025-annual-global-m-a-report (reporting nearly $5 trillion across an estimated 50,810 transactions, with deal value up 37 percent and deal count up 12.4 percent year over year).

[3] Bloomberg Law, "Analysis: 2025 Was the Year That Reignited Global M&A" (Jan. 16, 2026), https://news.bloomberglaw.com/bloomberg-law-analysis/analysis-2025-was-the-year-that-reignited-global-m-a (reporting deal value for U.S. target companies of approximately $2.6 trillion).

[4] U.S. Bureau of Economic Analysis, "New Foreign Direct Investment in the United States, 2025" (June 10, 2026), https://www.bea.gov/news/2026/new-foreign-direct-investment-united-states-2025 (reporting preliminary statistics released in June 2026).

[5] *Id*. ("Planned total expenditures, which include both first-year and planned future expenditures, were $284.5 billion.").

The following Gibson Dunn lawyers prepared this update: Bill Huesken, Stephenie Gosnell Handler, Chris Mullen, and David Wolber.

Gibson Dunn's lawyers are available to assist in addressing any questions you may have regarding these issues. For additional information about how we may assist you, please contact the Gibson Dunn lawyer with whom you usually work, the authors, or the following leaders and members of the firm's International Trade Advisory & Enforcement practice group:

United States:
Adam M. Smith – Co-Chair, Washington, D.C. (+1 202.887.3547, asmith@gibsondunn.com)
Ronald Kirk – Co-Chair, Dallas (+1 214.698.3295, rkirk@gibsondunn.com)
Stephenie Gosnell Handler – Washington, D.C. (+1 202.955.8510, shandler@gibsondunn.com)
Donald Harrison – Washington, D.C. (+1 202.955.8560, dharrison@gibsondunn.com)
Christopher T. Timura – Washington, D.C. (+1 202.887.3690, ctimura@gibsondunn.com)
Matthew S. Axelrod – Washington, D.C. (+1 202.955.8517, maxelrod@gibsondunn.com)
David P. Burns – Washington, D.C. (+1 202.887.3786, dburns@gibsondunn.com)
Nicola T. Hanna – Los Angeles (+1 213.229.7269, nhanna@gibsondunn.com)
Courtney M. Brown – Washington, D.C. (+1 202.955.8685, cmbrown@gibsondunn.com)
Samantha Sewall – Washington, D.C. (+1 202.887.3509, ssewall@gibsondunn.com)
Roxana Akbari – Orange County (+1 949.475.4650, rakbari@gibsondunn.com)
Karsten Ball – Washington, D.C. (+1 202.777.9341, kball@gibsondunn.com)
Sarah Burns – Washington, D.C. (+1 202.777.9320, sburns@gibsondunn.com)
Hugh N. Danilack – Washington, D.C. (+1 202.777.9536, hdanilack@gibsondunn.com)
Justin duRivage – Palo Alto (+1 650.849.5323, jdurivage@gibsondunn.com)
Bill Huesken – Denver (+1 303.298.5948, bhuesken@gibsondunn.com)
Dorkas Laura Medina – Washington, D.C. (+1 202.777.9444, dmedina@gibsondunn.com)
Chris R. Mullen – Washington, D.C. (+1 202.955.8250, cmullen@gibsondunn.com)
Sarah L. Pongrace – New York (+1 212.351.3972, spongrace@gibsondunn.com)
Anna Searcey – Washington, D.C. (+1 202.887.3655, asearcey@gibsondunn.com)
Erika Suh Holmberg – Washington, D.C. (+1 202.777.9539, eholmberg@gibsondunn.com)
Audi K. Syarief – Washington, D.C. (+1 202.955.8266, asyarief@gibsondunn.com)
Scott R. Toussaint – Washington, D.C. (+1 202.887.3588, stoussaint@gibsondunn.com)
Shuo (Josh) Zhang – Washington, D.C. (+1 202.955.8270, szhang@gibsondunn.com

Asia:
Kelly Austin – Denver/Hong Kong (+1 303.298.5980, kaustin@gibsondunn.com)
David A. Wolber – Hong Kong (+852 2214 3764, dwolber@gibsondunn.com)
Fang Xue – Singapore (+65 6507 3692, fxue@gibsondunn.com)
Qi Yue – Beijing (+86 10 6502 8534, qyue@gibsondunn.com)
Dharak Bhavsar – Hong Kong (+852 2214 3755, dbhavsar@gibsondunn.com)
Soo-Min Chae – Singapore (+65 6507 3632, schae@gibsondunn.com)
Hui Fang – Hong Kong (+852 2214 3805, hfang@gibsondunn.com)
Arnold Pun – Hong Kong (+852 2214 3838, apun@gibsondunn.com)

Europe:
Attila Borsos – Brussels (+32 2 554 72 10, aborsos@gibsondunn.com)

Patrick Doris – London (+44 207 071 4276, pdoris@gibsondunn.com)
Michelle M. Kirschner – London (+44 20 7071 4212, mkirschner@gibsondunn.com)
Penny Madden KC – London (+44 20 7071 4226, pmadden@gibsondunn.com)
Irene Polieri – London (+44 20 7071 4199, ipolieri@gibsondunn.com)
Benno Schwarz – Munich (+49 89 189 33 110, bschwarz@gibsondunn.com)
Nikita Malevanny – Munich (+49 89 189 33 224, nmalevanny@gibsondunn.com)
Melina Kronester – Munich (+49 89 189 33 225, mkronester@gibsondunn.com)
Vanessa Ludwig – Frankfurt (+49 69 247 411 531, vludwig@gibsondunn.com)

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