History

In 1975, President Ford issued an executive order establishing the Committee on Foreign Investment in the United States (CFIUS or "the Committee"). CFIUS conducts national security reviews of investments in, or acquisitions of, U.S. companies when the investments are made by non-U.S. individuals or businesses, or when the investor or acquiror is itself subject to foreign control.

For more than a decade after its start in 1975, CFIUS monitored foreign investment trends but had no enforcement capabilities. In 1988, in response to rising concerns over the effects of foreign direct investment on U.S. national security, Congress amended the Defense Production Act of 1950. This "Exon-Florio Amendment" authorized the President to examine and block transactions resulting in foreign
"control" (subsequently broadly defined) of any U.S. business when such a transaction could threaten national security. The President then delegated to CFUUS the task of reviewing such transactions.

In 2007, the Foreign Investment and National Security Act (FINSA) conferred authority directly on CFUUS, codified CFUUS processes, and regularized congressional oversight regarding these processes. FINSA codified the longstanding practice that CFUUS is chaired by the U.S. Department of the Treasury and includes in its membership the U.S. Departments of Commerce, Defense, Energy, Homeland Security, Justice, and State, as well as the U.S. intelligence community, the U.S. Trade Representative, the Office of Science & Technology Policy, and other agencies.

In 2018, the Foreign Investment Risk Review Modernization Act (FIRRMA) substantially reformed CFUUS to broaden its jurisdiction, create mandatory filing requirements for certain transactions, and to give CFUUS more resources. The Department of the Treasury issued final rules that became effective in February 2020, fully implementing the expanded jurisdiction FIRRMA granted to CFUUS. In particular, the rules issued under FIRRMA give CFUUS jurisdiction over many small minority equity investments (even 1 percent or less) in a broad swath of technology, infrastructure, and data businesses. This is in addition to CFUUS’ longstanding jurisdiction to review investments resulting in “control” of any U.S. business. Lastly, the new rules require parties to make filings for certain investments involving “critical technologies” certain investments when a foreign government acquires a “substantial interest.”