

August 14, 2025

## CFIUS Trends, Tactics, and Transformations from the 2024 Annual Report

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The Committee on Foreign Investment in the United States (“**CFIUS**” or the “**Committee**”) has released its [annual report](#) to Congress, covering CFIUS’ activity during the 2024 calendar year (the “**Annual Report**”). This Annual Report highlights key aspects of CFIUS’ activity and process, including commentary and statistical data related to CFIUS’ review of transactions from both declarations and joint voluntary notices (“**JVNs**”), as compared to prior years. This is also the first CFIUS Annual Report to be released since President Trump’s announcement of the America First Investment Policy, which likely is already intensifying some of the trends noted below.

### Key Highlights

- Total filings remained relatively static. CFIUS reviewed a total of 325 transactions in 2024 (a small decrease of 5% compared to 2023, and down 12.5% from the 2019-2023 average of 371). When counting only Distinct Transactions (which eliminates duplicate transactions),<sup>1</sup> however, CFIUS reviewed a total of 277 transactions for the 2024 calendar year, marking an even smaller year-over-year decrease of 3.8% compared to the 288 Distinct Transactions reviewed by CFIUS in 2023 (but still down 9.5% from the prior five-year average of 306 and down almost 18% compared to 2022).
- In 2024, declarations accounted for 35.7% of total filings, with a modest but steady upward trend in approvals, which reached 78.5%. The share of declarations requiring a full JVN continued to decline, falling to 14.7% in 2024 from 18.4% in 2023. This trend reflects CFIUS’ growing comfort with resolving transactions through the streamlined declaration process.
- CFIUS required mitigation in approximately 9% of Distinct Transactions in 2024, a noteworthy decrease from 2023 of almost six percentage points and well below the prior five-year average of 11.9%.
- The rate at which JVNs were withdrawn and refiled increased slightly to 20.1% (up from 18.5% in 2023), which is still well above both the prior five-year average rate of 16.9% and above the recent low in 2019 of 7.8%, while the portion of withdrawn JVNs that were ultimately abandoned dropped notably in 2024 to 14.3% compared to 24.6% in 2023.
- President Biden issued CFIUS-related Executive Orders regarding two transactions filed in 2024, one of which involved a forced divestment in the first presidential action relating to a covered real estate transaction and the other involved a prohibited transaction.

- The total number of filings (declarations and JVNs) from China dropped notably in 2024, registering a 20% decrease compared to 2023. Although the highest number of overall JVNs filed in 2024 was from Chinese investors, this is the result of individually counting withdrawn and refiled filings for the same transaction. When that set is deduplicated, investors from each of France, Japan, and the United Arab Emirates all had a higher number of Distinct JVNs than did China.

## 2025 Annual Report Analysis

### **CFIUS Transaction Volume is Stabilizing**

The downward trend in CFIUS workload volume continued in 2024, albeit at a slower rate. The number of Distinct Transactions reviewed in 2024 came in at 277, a drop of nearly 4% from the prior year (whereas the decrease in the number of Distinct Transactions reviewed in 2023 saw a steeper year-over-year decline of 14.5%). The number of Distinct Transactions filed in 2024 was also approximately 9.5% lower than the average number of filings from 2019 to 2023 (which was 306).

The continued reduction in overall CFIUS volume is likely a result of several factors, led by lower foreign direct investment into the United States.<sup>ii</sup> Lower CFIUS filings also underscores a higher comfort level of transaction parties in their approach to CFIUS. After five years of post-FIRRMA reviews, parties likely are more comfortable with CFIUS-related due diligence and reasonably deciding to forgo a voluntary filing in certain situations. Additionally, the slower rate of the declining workload also indicates that the CFIUS volume is returning to a more normalized level after seeing a post-COVID bump in activity (the number of Distinct Transactions jumped 30% from 2020 to 2021 but has continued a year-over-year downward trend since then, dropping 4% in 2022 and 14.5% in 2023). Given recent trends in global M&A activity for 2025, we would expect this trend to continue.

### **Declarations See a Slight Uptick with Higher Approval Rate**

As a share of all filings submitted, declarations accounted for 35.7% of CFIUS filings in 2024, which is up from 31.9% in 2023 and slightly above the prior five-year average of 34.7%. Importantly, the percentage of declarations resulting in an approval has seen a modest but steady upward trend. In 2024, CFIUS concluded action for 78.5% of all declarations submitted. This is largely on par with 2023 (in which CFIUS concluded action for 76.2% of submitted declarations) and well above the prior five-year average (61.9%). Also of note is the continued decrease in the number of declarations from which CFIUS requested a full JVN at the conclusion of the 30-day review period. In 2024, CFIUS requested JVNs for 14.7% of all declarations submitted. This is a continued modest improvement from 2023, when 18.4% of declarations resulted in CFIUS requesting a JVN, and remains well below the prior five-year average of 23.8%. Moreover, the portion of declarations for which CFIUS was unable to conclude action but without requesting a JVN (known as the “shrug”) remained steady in 2024, showing only a slight increase to 6% in 2024 (compared to 5.5% in 2023) and comfortably below the prior five-year average of 13.7%.

The relatively steady rates of declaration submissions and clearances, coupled with the continued low shrug rate and decrease in the rate of JVN requests, suggest both that (i) filing parties are properly identifying which transactions are appropriate candidates for the short-form declaration process and (ii) CFIUS is more comfortable with those decisions.

## **JVNs Register a Modest Decline but with Persistently High Rates of Investigations and Withdrawals**

As a portion of total submissions reviewed by the Committee, the percentage of JVNs decreased slightly to 64.3% from 68.1% in 2023. In terms of the notice timeline and process, the number of Unique JVNs<sup>iii</sup> (which eliminate withdrawn and refiled notices but include notices submitted after a declaration) sent to investigation in 2024 was up by less than a single percentage point (65.2% in 2024 compared to 64.3% in 2023)—although this rate is still above the prior five-year average of 59.3%. Meanwhile, the rate at which JVNs were withdrawn and refiled increased slightly in 2024 to 20.1% (up from 18.5% in 2023), which is still well above both the prior five-year average rate of 13.9% and the recent low in 2019 of 7.8%. However, the portion of total JVNs that were ultimately abandoned dropped notably in 2024 to 3.4% compared to 6% in 2023, which is also below the prior five-year average of 5.3%.

While the year-over-year increases in the rates for which JVNs were sent to investigation and for which JVNs were withdrawn were up only slightly in 2024, both levels remain troublingly high. The elevated withdrawal rate in particular highlights a trend that has continued almost uninterrupted since 2018 (with one exception of 2019). These sustained levels, coupled with significantly lower withdrawal rates registered in other recent years (each of 2019, 2016 and 2015 registered withdrawal rates under 10%), underscore lingering procedural frictions in the notice review process and indicate that there is still significant room for increased efficiencies that CFIUS has demonstrated are achievable in the past.

## **Mitigation Continues to Ease Significantly**

The downward trend in mitigation seems to have continued from 2023 into 2024 and at a much greater pace. As a percentage of Unique JVNs, general mitigation (which includes not only the imposition of final mitigation agreements, but also withdrawn and abandoned filings subject to mitigation requirements and filings subject to interim mitigation terms) was required in 14% of cases. This represents a notable 7.6% drop from 2023 and is well below the prior five-year average of 17.4%. Moreover, notices subject to just a mitigation agreement as a percentage of Unique JVNs (which is a smaller subset) came in at 9% (down significantly from 17.6% in 2023 and below the prior five-year average of 13.9%). Moreover, CFIUS terminated 25 pre-existing mitigation agreements in 2024, a 66.7% increase compared to the 15 mitigation agreements terminated in 2023 and the most terminations reported in the last five years.

Overall, the sizable decrease in the rate at which CFIUS is imposing mitigation measures coupled with the significant increase in the rate at which active mitigation agreements have been terminated is a positive development from a filing party perspective, and these developments suggest a more practical approach taken by CFIUS with respect to mitigation (including the termination of mitigation agreements). As discussed below, this trend is likely to continue, and even intensify, as CFIUS implements actions in line with the America First Investment Policy.

## **More Penalties**

CFIUS reported the assessment of four penalties for “breaches of material provisions in mitigation agreements” in 2024. This is the same number of such penalties reported in 2023 (recall that 2023 marked a record number of civil monetary penalties, which, at that time, was more than the total number of penalties issued in the Committee’s entire history). Importantly, CFIUS also reported a separate penalty for “submission of a notice and supplemental information containing material misstatements.” The assessment of five penalties in 2024 marks a new record in CFIUS enforcement. Moreover, 2024 was the first time that CFIUS not only published a comprehensive list of civil monetary penalties imposed (see related our client alert [here](#)), which showed a radical increase in the penalty amounts, but it was also the first time that a filing party was identified by name.

When taken together with the developments on mitigation discussed above, the increased size, frequency, and publicity with respect to penalties suggests that CFIUS is likely to couple any moderation in its approach to mitigation with a much more active and more forceful approach in imposing significant penalties for non-compliance.

### **Leveling Off of Non-Notified Transactions**

CFIUS continues to identify and review covered transactions that were not voluntarily notified to the Committee (known as non-notified transactions or “**NNTs**”) and initiated an inquiry to parties in 76 instances, a drastic increase of 26.7% from 2023 (but still 43.7% below the recent high of 135 instances in 2021). However, the rate of requested filings as a percentage of investigated NNTs dropped to 15.8% in 2024, down from 21.7% in 2023.

The relatively stable number of NNTs and subsequent requested filings suggests that filing parties are becoming more accurate in their determinations of when (or when not) to file, and it is also in line with our prior analysis that CFIUS is indeed becoming more sophisticated and more efficient in its non-notified inquiries by increasingly identifying transactions more germane to U.S. national security risks. With one notable recent exception, it also appears that CFIUS is largely focused on transactions from the current year as opposed to prior years (this notion also seems to be supported by commentary from the 2022 Annual Report),<sup>iv</sup> and, at least anecdotally, CFIUS seems to be more focused on missed mandatory filings based on public records (although at least one NNT in 2024 was identified via a public tip).

### **A Historic Year for Presidential Review**

The 2024 calendar year was significant also because it saw two presidential decisions: one unwinding a transaction and one blocking a transaction.

The first presidential decision of 2024 involved the divestment of real estate near a missile base. In this case, President Biden ordered MineOne Partners Limited, a Chinese-owned company, to divest real estate near Francis E. Warren Air Force Base in Wyoming, where it was operating a cryptocurrency mining facility. This particular decision is notable also because it marked the first presidential order pursuant to CFIUS' authority to review real estate transactions near sensitive locations under 31 CFR Part 802.

The second presidential decision in 2024 (although technically finalized in 2025) involved the proposed acquisition of U.S. Steel by Nippon Steel, which CFIUS referred to President Biden for a decision. Though the CFIUS investigation concluded and was referred in 2024, President Biden blocked the acquisition in January 2025 (which decision, in a precedent-setting move, was subsequently reopened and approved by President Trump pursuant to a mitigation agreement that involved the grant of a perpetual “golden share” to the U.S. Government by U.S. Steel). You can read more about the U.S. Steel decision in our prior alert [here](#).

While presidential interventions are historically rare, their occurrence underscores the potential for high-impact consequences in areas that the President deems so critical to national security that any national security issues are otherwise unresolvable. Moreover, as the concept of what constitutes national security continues to expand (see discussion below), it is critical that transaction parties aim to structure any sensitive transactions in a way that accounts for potential mitigation—especially in light of the more practical mitigation approach that CFIUS seems to be embracing.

## America First Investment Policy's Implications for 2025

On February 21, 2025, President Trump issued a memorandum setting forth directives for an “America First Investment Policy” (“**AFIP**”) (link [here](#)). The memorandum was dual purposed in that it (i) instructed CFIUS to further restrict certain problematic Chinese investments into the United States; and (ii) aimed to facilitate further inbound investment from U.S. allies and partners. With respect to item (ii) in particular, AFIP directed the Treasury Department to focus on increasing efficiencies in the CFIUS process so as to facilitate greater investment from U.S. allies and partners *provided that* there were verifiable distance and independence from “foreign adversaries” (most notably, China).

Importantly, as part of the policy effort to facilitate allied inbound investment, AFIP indirectly instructed CFIUS to stop using “overly bureaucratic, complex, and open-ended” mitigation agreements and stressed that “[i]n general, mitigation agreements should consist of concrete actions that companies can complete within a specific time, rather than perpetual and expensive compliance obligations” and that “[m]ore administrative resources, in turn, will be directed toward facilitating investments from key partner countries.”

AFIP also called for the creation of a new “fast-track” CFIUS process, which Treasury has since confirmed is being developed (link [here](#)), including the creation of a “Known Investor” portal through which CFIUS will be able to collect information from foreign investors in advance of a CFIUS filing to help expedite future reviews. The announced “fast-track” will likely be used to frontload the classified threat assessment analysis in advance of any specific investment. In what also strikes us as a positive development, there seems to be a clear and continuing interest from the Administration in finding additional ways in which it can improve the CFIUS process to make the United States a more attractive environment for foreign investment.

Understanding the Trump Administration’s view of foreign investment reviews as a key tool—together with tariffs, export controls, and other capital flow mechanisms—to use in achieving its foreign policy objectives, we anticipate that AFIP will have a significant effect on how CFIUS continues to operate in 2025 and beyond and, as a result, how transaction parties will need to approach the CFIUS process going forward. As such, we expect to see the following potential developments in the next few years:

- Continued Mitigation Reduction: A continued reduction in mitigation agreements and conditions for transactions involving foreign investors from traditional U.S. allies, and where mitigation is imposed, a more practical approach that is friendlier to the ongoing operations of the U.S. business.
- Broader CFIUS Interest in Certain Sectors: In addition to demonstrating a larger interest in real estate transactions, CFIUS is likely to further expand its interest over a wider array of transactions touching sectors that have not been traditionally viewed as vital to national security but that the Administration views as vital to economic security (such as the agricultural and pharmaceutical sectors).
- Increased Middle Eastern Investments: A continued increase of submissions from and approvals of transactions involving investors from Middle Eastern countries with whom the Administration is actively seeking to improve relations (note that, just from the United Arab Emirates alone, overall CFIUS filings have increased substantially over the last three years).
- Increased CFIUS Efficiency: An increased focus on improving the CFIUS review process to operate more efficiently, with an important objective of making the United States a more attractive environment for foreign investment. This should target a significant reduction of the percentage of transactions that require an investigation as well as the percentage of transactions that are subject to withdraw and refilings.



## Conclusion

The 2024 CFIUS Annual Report reflects a process in transition: filing volumes are leveling off, mitigation is being applied more sparingly, yet the Committee's jurisdiction and enforcement authority remain expansive. Two rare presidential interventions, expanded real estate oversight, and record-level penalties underscore that CFIUS' bite remains as sharp as ever.

By prioritizing efficiency for trusted allied investors, narrowing the use of burdensome mitigation agreements, and creating a "fast-track" review channel, the America First Investment Policy could further streamline certain reviews. At the same time, its explicit mandate to restrict certain Chinese investments will likely intensify screening in sensitive sectors, expand jurisdictional reach, and increase enforcement actions. The result could be a CFIUS environment that is faster and more predictable for favored investors but more stringent and unforgiving for those viewed as posing heightened national security risks. Transaction parties that adapt early to this recalibrated environment will be best positioned to navigate CFIUS' still-formidable review process.

Overall, parties should not mistake procedural streamlining for reduced scrutiny. Broader jurisdiction, heightened penalties, and an evolving definition of national security mean that thorough due diligence, early risk assessment, and strategic transaction structuring remain critical.

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If you have questions concerning the contents of this alert, or would like more information, please speak to your regular contact at Weil or to the authors:

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<sup>i</sup> "Distinct Transactions" represents the total number of individual transactions reviewed by CFIUS, calculated by summing the number of declarations and Distinct JVNs. As used here, "Distinct JVNs" represent (i) the total number of JVNs filed (209 for the 2024 calendar year), (ii) less the 17 instances in which parties were instructed by CFIUS to file a JVN after submitting a declaration, (iii) less the 31 instances in which parties withdrew a JVN in 2024 and refiled in the same calendar year. In seven instances for declaration filings, CFIUS did not make a determination at the end of the 30-day review process, and it is not clear whether the parties filed a JVN in those instances; for purposes of calculating the Distinct JVNs, we have assumed that the parties did not file a subsequent JVN. Where applicable, figures have been calculated the same way as in prior years.

<sup>ii</sup> According to an analysis released by the U.S. Bureau of Economic Analysis on July 11, 2025, expenditures by foreign direct investors to acquire, establish, or expand U.S. businesses totaled \$151.0 billion in 2024, a decrease of \$24.9 billion, or 14.2%, from \$176.0 billion (revised) in 2023 and were below the annual average of \$277.2 billion for 2014–2023.

<sup>iii</sup> "Unique JVNs" represents the total number of JVNs filed (209) less the 31 instances in which parties withdrew a JVN and refiled in 2024. The number of Unique JVNs includes the 17 instances in which CFIUS requested parties to file a JVN after submitting a declaration. Where applicable, figures have been calculated the same way as in prior years.

<sup>iv</sup> One exception to this observation involves the divestment of Jupiter Systems, a U.S. company acquired in 2020 by Suirui Group Co., Ltd. (a Chinese company). The divestment was ordered by President Trump in July 2025 following an NNT review five years after the acquisition was completed in 2020. However, as mentioned earlier, this instance seems like an exception to the general proposition that non-notified inquiries from CFIUS are now mostly focused on more current transactions.