

CFIUS Releases 2024 Annual Report on National Security and Foreign Investment

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On August 6, the Committee on Foreign Investment in the U.S. (CFIUS) released the unclassified version of its [Annual Report to Congress for Calendar Year \(CY\) 2024](#) (Report), depicting trends in the number of filings through CY 2024, distribution of foreign acquirer home countries, and updates on compliance and enforcement activity.

Key Findings of the Report

CFIUS is required to publish an annual report under Section 721(m) of the Defense Production Act, [50 U.S.C. § 4565\(m\)](#). The Report must include, among other information, statistical data and specific transaction information related to critical technologies, offering rare public insight into CFIUS's otherwise confidential process. Key findings in the Report include:

- The number of filings for CY 2024 remained steady compared to CY 2023, despite the uncertainty that stems from an election year;
- Electric Power Generation, Transmission, and Distribution industry had the most declaration filings in CY 2024, signaling an interest in foreign investment within this sector;
- Most foreign investor notice filings originated from China for CY 2024 and cumulatively from 2022 to 2024. Meanwhile, Japanese investors were the leading source of declaration filings in 2024; and
- CFIUS prioritized compliance and enforcement by focusing on non-notified transaction reviews and conducting 79 site visits of entities under mitigation agreements.

Declaration and Notice Filings Remained Steady

Parties may file either a declaration or a notice. Declarations are shorter with no associated cost, but CFIUS may require parties to file a notice after reviewing a declaration. In CY 2024, declaration filings increased slightly from 109 to 116 compared to CY 2023, with only 17 subsequently filed as notices. Of the 116 declarations filed, six were real estate filings, and 36 were mandatory filings. CFIUS must complete its initial review within 45 days, with an additional 45-day investigation window if CFIUS determines that it needs additional time to assess the transaction. Notice filings decreased from 233 filed in CY 2023 to 209 in CY 2024; 116 of these filings resulted in an investigation.

Despite the uncertainty associated with election years, CY 2024's filing numbers remained steady, indicating continued foreign investment interest in the U.S. Next year's data will be particularly telling in light of the administration's [America First Investment Policy Memorandum](#), which was released on February 21.

Filings From Leading Industry Sectors

The sectors with the most declaration filings in CY 2024 were Electric Power Generation, Transmission and Distribution (10 filings), Architecture, Engineering, and Related Services (10 filings); and Computer Systems Design and Related Services (nine filings). Computer Systems Design and Related Services led notice filings with 26 in CY 2024. Electric Power Generation, Transmission and Distribution continued to be a leading sector for notice filings from 2022 through 2024, second only to Scientific Research and Development Services, which had 61 cumulative filings.

Foreign Acquirer Country Distribution

Japanese investors accounted for the most declarations in CY 2024 (16), followed by Canada (11), and UK and France (nine each). From 2022 to 2024, Canada led with 46 declaration filings.

Chinese investors filed the most notices in CY 2024 (26) and had the highest cumulative number of notices from 2022 to 2024. France and Japan followed with 23 filings each and United Arab Emirates had 21. The largest number of critical technology transactions involved acquirers from Japan, France, and China.

Enforcement and Compliance Increased

CFIUS can impose mitigation measures to address national security concerns arising from the transaction at any stage, including during initial review of the transaction or as part of a presidential order to prohibit a transaction.

In CY 2024, CFIUS adopted mitigation measures or conditions for 25 notices: 16 after finalized reviews; seven resulting from decisions to withdraw and/or abandon the transaction; one interim mitigation measure during CFIUS review; and one presidential order to divest a certain real estate transaction. CFIUS conducted 79 site visits that “involved compliance-focused interviews with senior executives and line-level personnel, inspection of records and systems, and verification of physical and logical access controls.”

CFIUS’s focus on non-notified transactions increased significantly in CY 2024. The Committee identified and “preliminarily considered thousands of potential non-notified transactions,” ultimately investigating 98 for potential formal inquiries, with 76 resulting in formal requests and 12 in filings. Notably, a presidential order prohibiting a real estate transaction for [MineOne](#) began as a non-notified action. And just last month, President Trump signed a presidential order requiring the divestment of a transaction involving [Jupiter Systems](#), which was also suspected to have been initiated as a non-notified action. CFIUS’s proactive approach to investigating non-notified transactions underscores the importance of thorough risk analysis for entities considering foreign investment.

Looking Forward

The Report suggests that CFIUS reviews will remain robust and resource-intensive, especially as regulatory authorities expand (e.g., new rules on real estate and enhanced enforcement powers enacted in November 2024). From 2015 to 2024, CFIUS reviewed 2,199 notices, with 55% resulting in investigations, and reviewed 783 declarations from 2018 to 2024. The high rate of investigations and mitigation agreements reflects rigorous scrutiny of foreign investments, particularly in sensitive sectors.

CFIUS's proactive identification of non-notified transactions and strengthened enforcement, combined with increased staffing and updated regulations, positions the Committee to address evolving national security risks. The Report notes ongoing threats of espionage targeting critical technology from China, Russia, Iran, and North Korea, as well as cyber espionage from countries with close U.S. ties. These concerns reinforce CFIUS's and the U.S. government's focus on national security efforts in the economic sector.

As foreign investment patterns shift and more sectors become central to U.S. security interests, companies should expect CFIUS reviews to become more frequent, comprehensive, and complex in the coming years.

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