

## New CFIUS Legislation Enacted

August 13, 2018 | Client Update

For the first time in over a decade, Congress has amended the statutory authority under which the Committee on Foreign Investment in the United States (“CFIUS” or the “Committee”) reviews inward foreign investment to protect U.S. national security. The Foreign Investment Risk Review Modernization Act of 2018 (“FIRRMA”) was incorporated into the John S. McCain National Defense Authorization Act for Fiscal Year 2019 and signed into law by President Trump earlier today. Although many of the law’s provisions await the publication of implementing regulations, others, including the time period for CFIUS reviews, take immediate effect. FIRRMA, which has been debated and reviewed by congressional committees for nearly a year, will materially expand the scope of CFIUS reviews, particularly for some types of investment structures outside the traditional M&A context. The legislation will likely result in a much wider range of previously exempt transactions falling within CFIUS’s jurisdiction, including certain “non-controlling” investments and acquisitions of real estate with no underlying “U.S. business.”

If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

**William H. Aaronson**

+1 212 450 4397  
william.aaronson@davispolk.com

**George R. Bason, Jr.**

+1 212 450 4340  
george.bason@davispolk.com

**John B. Reynolds III**

+1 202 962 7143  
john.reynolds@davispolk.com

**Will Schisa**

+1 202 962 7129  
will.schisa@davispolk.com

**Miranda So**

+852 2533 3373  
miranda.so@davispolk.com

*This communication, which we believe may be of interest to our clients and friends of the firm, is for general information only. It is not a full analysis of the matters presented and should not be relied upon as legal advice. This may be considered attorney advertising in some jurisdictions. Please refer to the firm's privacy notice for further details.*

## Related materials

[2018-08-13\\_new\\_cfius\\_legislation\\_enacted.pdf](#)