

## CFIUS Issues Proposed FIRRMA Regulations

September 30, 2019 | Client Update

On September 17, 2019, the Treasury Department issued highly anticipated proposed final regulations intended to implement fully the reforms in the foreign investment review process wrought by the [Foreign Investment Risk Review Modernization Act of 2018](#) (FIRRMA), passed in August 2018. The proposed regulations are divided into two parts. The [Provisions Pertaining to Certain Investments in the United States by Foreign Persons](#) would, among other things: (i) permanently expand the jurisdiction of the Committee on Foreign Investment in the United States (CFIUS) to reach non-controlling investments in certain U.S. businesses; (ii) create exceptions to this expanded authority for certain types of investors; (iii) expand the scope of mandatory filing transactions beyond the current “Pilot Program” which CFIUS implemented in the fall of 2018; and (iv) establish a streamlined voluntary declaration process for covered transactions to supplement the voluntary notice option.

CFIUS also issued a separate proposed rule on transactions involving real estate, [Provisions Pertaining to Certain Transactions by Foreign Persons Involving Real Estate in the United States](#), which, for the first time in CFIUS’s history, asserts jurisdiction over real property even if that property is not part of a 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.

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