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Report from Washington

Key Takeaways from the CFIUS Annual Report to Congress Covering Calendar Year 2025

August 10, 2026

On August 7, 2026, the U.S. Department of the Treasury, as Chair of the Committee on Foreign Investment in the United States ("CFIUS" or the "Committee"), released its Annual Report to Congress covering calendar year 2025 (the "Report"). The Report provides detailed statistics on CFIUS filing volumes, review timelines, enforcement actions, and policy developments during 2025. Below, we summarize the key takeaways from the Report and their practical implications for M&A transactions. These statistics are increasingly important for dealmakers, as the CFIUS process can affect deal timing and risk allocation, and is critical to regulatory risk assessment across the M&A lifecycle.

I. Filing Volume Rebounds After Multi-Year Decline

After several years of declining filing volumes, from a peak of approximately 440 filings in calendar year 2022 to 342 in 2023 and 325 in 2024, CFIUS received 347 total filings (notices and declarations combined) in calendar year 2025. This approximately 7% year-over-year increase represents the first uptick in annual filings since 2022 and reverses the downward trend that had characterized the prior three years. The rebound in filing volume may reflect several factors, including an increase in cross-border M&A activity as well as heightened awareness among deal parties of mandatory filing obligations for transactions involving critical technology, critical infrastructure, and sensitive personal data.

Notwithstanding the increase in raw filing numbers, CFIUS maintained a 67% clearance rate at the initial review or assessment stage—broadly consistent with its clearance rate in calendar year 2024. This consistency suggests that the Committee's review standards and the quality of incoming filings have remained relatively stable even as volume has grown.

II. Launch of the Known Investor Pilot Program

Perhaps the most significant policy development noted in the Report is Treasury's launch of the Known Investor Pilot Program in the second half of 2025. Under this initiative, Treasury invited a select group of repeat filers from multiple allied and partner jurisdictions to participate in a streamlined review track. The pilot was followed by a formal Request for Information ("RFI") published in February 2026, soliciting public comment on the potential formalization and expansion of the program.

The Known Investor Program represents a significant policy shift toward differentiating the treatment of investments from allied or partner countries versus those from countries of concern. This is consistent with the Trump Administration's America First Investment Policy (issued in February 2025), which directed CFIUS to adopt a more bifurcated approach: fast-tracking investments from trusted partners while maintaining heightened scrutiny for transactions involving adversary nations.

For practitioners, the Known Investor Program signals that parties with established compliance track records and favorable country-of-origin profiles may benefit from expedited timelines and reduced friction in the CFIUS process. Companies considering repeat cross-border transactions should assess whether their profile may qualify them for inclusion in the program as it moves toward formal rulemaking.

III. Enforcement and Compliance Remain Elevated Priorities

The Report reaffirms CFIUS's continued prioritization of enforcement and compliance monitoring. Calendar year 2025 marked the first full year in which the enhanced penalty regime (established in November 2024) was in effect. Treasury emphasized its ongoing enforcement of mandatory filing requirements, particularly for transactions involving critical technology, critical infrastructure, and sensitive personal data.

In calendar year 2025, CFIUS conducted 40 compliance site visits and was actively monitoring 234 mitigation agreements. While the Report does not break out 2025 civil penalty information in the same level of detail, Treasury's statements indicate that the elevated penalty ceiling and heightened enforcement posture remain firmly in place.

Deal parties should ensure robust compliance infrastructure is in place before closing any transaction subject to a CFIUS mitigation agreement. The increased penalty ceiling further underscores the importance of accuracy and completeness in all CFIUS filings.

IV. PRC-Related Transactions Remain Subject to Elevated Scrutiny

The Report acknowledges that economic, industrial, and cyber espionage from foreign actors, including the People's Republic of China ("PRC"), represent a continued threat to U.S. economic and security interests. However, PRC investors continue to account for the largest share of CFIUS notices, constituting 17% of all notices filed in 2025. This is consistent with historical investment trends, as PRC investors accounted for 14% of all notices between 2023 and 2025, again comprising a greater share of notices than any other country.

Parties involved in transactions with a nexus to the PRC, including indirect ties through ultimate beneficial ownership, management, or technology licensing, should conduct thorough CFIUS risk assessments early in the deal process and consider the strategic benefits of voluntary notification or pre-filing engagement.

V. Operational Resilience Despite Appropriations Challenges

The Report notes that CFIUS operations were affected by lapses in government appropriations during 2025. Despite these funding disruptions, the Committee maintained its elevated review volumes and achieved a 67% initial clearance rate, similar to that of the prior year. That said, parties should remain attentive to potential delays during government funding disruptions and build appropriate timing contingencies into deal timelines where CFIUS review is anticipated.

VI. Implementation of the America First Investment Policy

Calendar year 2025 represented the first full year of operation under President Trump's America First Investment Policy, issued in February 2025. The Report and accompanying press release confirm that this policy directive has continued to shape CFIUS's approach, with an emphasis on streamlining reviews for investments from allied and partner nations and maintaining heightened scrutiny for investments from adversary nations.

Assistant Secretary Chris Pilkerton, who leads CFIUS operations, noted in the press release that CFIUS has spent 50 years addressing foreign investment risks while allowing beneficial capital to drive U.S. economic growth, reinforcing the Administration's messaging that the United States remains open to foreign investment provided it does not present national security concerns.

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Taken together, these trends signal a CFIUS regime that is simultaneously becoming more efficient for trusted allied investors and more aggressive toward transactions involving heightened risk to national security. For private equity sponsors, this means that CFIUS diligence must be embedded from the earliest stages of deal sourcing and fund structuring, including LP-level analysis of foreign government ties, portfolio company assessments of critical technology exposure, and proactive engagement with CFIUS as appropriate. For M&A practitioners more broadly, the rebound in filing volumes and expanded penalty authorities underscore that CFIUS is an important workstream that can materially affect deal transaction certainty, timing, and value. Parties that integrate CFIUS planning into their overall deal strategy will be best positioned to navigate this evolving landscape.

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