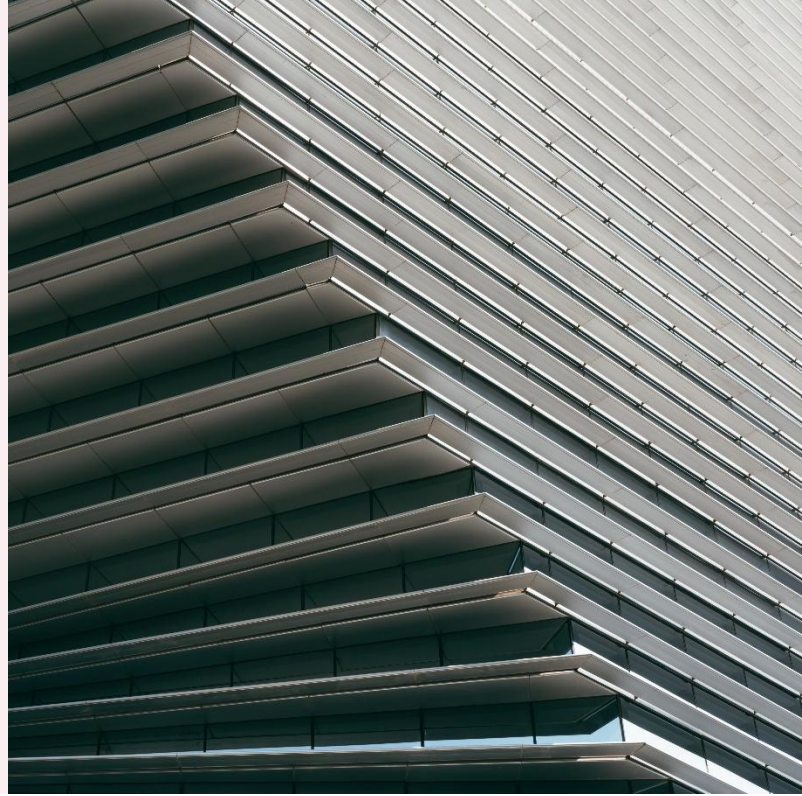


# The Comprehensive Outbound Investment National Security (COINS) Act: Congress Takes on Outbound Investment Regulation

December 24, 2025



The Comprehensive Outbound Investment National Security Act of 2025<sup>1</sup> (the "**COINS Act**"), which President Trump signed into law on December 18, 2025, codifies and expands the U.S. legal authority to regulate outbound investment — i.e., capital flowing *out of* the United States — to protect U.S. national security. This marks a further commitment to U.S. outbound investment regulation following implementation of the U.S. Outbound Security Investment Program ("**OISP**") in January 2025, which was adopted pursuant to an Executive Order ("**EO**") signed by President Biden. The COINS Act authorizes prohibition of certain U.S. investments in companies engaged in specified sensitive technology activities, requires notification of other investments in these areas, and provides the President authority to impose sanctions against covered foreign persons. The COINS Act also provides the flexibility to add additional covered technology sectors in the future, which is consistent with the clear indications from the Trump Administration that the OISP regulations issued earlier this year were just a starting point for regulating outbound investment to address U.S. national security concerns.

Significantly, the COINS Act authorizes \$150 million to the U.S. Department of the Treasury ("**Treasury**") for each of the next two fiscal years. This budget is an indication that Treasury will be able to deploy significant resources to further develop, implement, and enforce the OISP. For comparison, the budget for the Committee on Foreign Investment in the United States (CFIUS) (including fees collected), which reviews foreign investments in American businesses and real estate for potential national security risks, was approximately \$45 million in fiscal year 2025.

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<sup>1</sup> [Title LXXXV](https://www.congress.gov/119/bills/s1071/BILLS-119s1071enr.pdf) of the National Defense Authorization Act for Fiscal Year 2026 (<https://www.congress.gov/119/bills/s1071/BILLS-119s1071enr.pdf>).

## Background

The COINS Act follows the [implementation of the OISP](#) via regulations that took effect on January 2, 2025 pursuant to [EO 14105](#), "Addressing United States Investments in Certain National Security Technologies and Products in Countries of Concern." While the COINS Act contains many of the same provisions found in the current OISP regulations, the COINS Act expands the scope of the OISP and features key differences relevant to investors. The current OISP [regulations](#) will remain in effect pending issuance of updated regulations reflecting the COINS Act, which are required by March 2027 at the latest.

The OISP prohibits or requires notification of certain types of outbound investments and transactions by U.S. persons with **"Covered Foreign Persons."** Covered foreign persons are [currently defined](#) as including entities located in or subject to the jurisdiction of China (including Hong Kong and Macau), as well as entities owned or controlled by, or with a relevant nexus to, them, that are engaged in a ["covered activity"](#) associated with specified sensitive technologies, *i.e.*, quantum information technologies, semiconductors and microelectronics, and certain artificial intelligence ("AI") systems.

## Key Changes

Though the COINS Act codifies many elements of the current OISP, it will expand the OISP and make several key modifications to the existing outbound investment program. The following chart summarizes the key changes:

Issue	OISP	COINS Act	Relevant Change
Definition of Covered Foreign Person	<ul style="list-style-type: none"> <li>Citizens of a country of concern</li> <li>Companies in which citizens, companies, or governments of a country of concern, directly or indirectly, hold 50% or more of the outstanding voting interest, voting power of the board, or equity interest</li> <li>Companies in which the persons listed above account for more than 50% of their revenue, net income, capital expenditures, or</li> </ul>	<p>Any non-U.S. person that is:</p> <ul style="list-style-type: none"> <li>Incorporated in, has a principal place of business in, or is organized under the laws of a country of concern</li> <li>A Member of the Central Committee of the Chinese Communist Party or political leadership of a country of concern</li> <li>A company subject to the direction or control of a country of concern, of any</li> </ul>	<p>The COINS Act changes what qualifies as a "covered foreign person" to (i) remove citizens or permanent residents of countries of concern, (ii) include entities "subject to the direction or control" of covered foreign persons; and (iii) exclude classification as a covered foreign person based on financial metrics received from subsidiaries or other investments, instead focusing on a 50%</p>

Issue	OISP	COINS Act	Relevant Change
	operating expenses	<p>entity listed above, or of any state or the government of a country of concern</p> <ul style="list-style-type: none"> <li>• A company with direct or indirect 50% aggregate ownership by a country of concern, an entity described in the first two bullets above, or state or the government of a country of concern</li> </ul>	ownership threshold.
Countries of Concern	Only China (including Hong Kong and Macau)	<ul style="list-style-type: none"> <li>• China (including Hong Kong and Macau)</li> <li>• Cuba</li> <li>• Iran</li> <li>• North Korea</li> <li>• Russia</li> <li>• Venezuela (under the Maduro regime)</li> </ul>	Several countries have been added to the countries of concern list. These additions are unlikely to have a significant impact in practice due to existing sanctions programs on the added countries.
Sensitive Technology Sectors	<ul style="list-style-type: none"> <li>• Artificial intelligence</li> <li>• Quantum information technologies</li> <li>• Semiconductors and microelectronics</li> </ul>	<ul style="list-style-type: none"> <li>• Artificial intelligence</li> <li>• Quantum information technologies</li> <li>• Semiconductors and microelectronics technologies</li> <li>• High performance computing and supercomputing</li> <li>• Hypersonic systems</li> <li>• With the potential for additional technology</li> </ul>	High performance computing, supercomputing, and hypersonic (e.g., missile) systems have been added to the list of sensitive technologies. Under the COINS Act, the Treasury Secretary, through notice-and-comment procedures, may also issue regulations to <i>define</i> the technical parameters of sensitive technologies or

Issue	OISP	COINS Act	Relevant Change
		sectors to be added through Treasury notice-and-comment rulemaking.  Subject to potential expansion	<i>add</i> new categories that support military, intelligence, surveillance, or cyber capabilities of countries of concern.
Exemptions	<ul style="list-style-type: none"> <li>Publicly traded securities</li> <li>SEC registered securities issued by an investment company</li> <li>Limited partner investments meeting certain requirements</li> <li>Derivatives</li> <li>Full buyouts</li> <li>Certain intracompany transactions</li> <li>Transactions made after January 2, 2025 pursuant to binding, uncalled capital commitments</li> <li>Syndicated loans</li> <li>Employment compensation (e.g., stock options)</li> <li>Transactions in the national interest</li> </ul>	<ul style="list-style-type: none"> <li>Publicly traded securities</li> <li>SEC registered securities issued by an investment company (with potential extension to investment companies registered with a foreign regulator)</li> <li>Limited partner investments meeting certain requirements</li> <li>Derivatives only in certain products (more limited than current exception)</li> <li>Full buyouts</li> <li>Certain intracompany transfers</li> <li>Transactions in the national interest</li> <li>Ancillary transactions by financial institutions</li> <li>Certain secondary transactions, including underwriting services</li> <li><i>De minimis</i> transactions</li> </ul>	The COINS Act changes the list of exemptions that may apply to covered transactions, expanding in some areas (e.g., for secondary and <i>de minimis</i> transactions) and contracting in others (e.g., limiting the current derivatives exception, and excluding syndicated loans and the employment compensation exception).

Issue	OISP	COINS Act	Relevant Change
		<p>(threshold to be established via implementing regulations)</p> <ul style="list-style-type: none"> <li>• "Ordinary or administrative business transactions" (to be defined)</li> <li>• Transactions finalized before enactment of the COINS Act</li> </ul>	
Mechanism for Advisory Opinion on Prohibited Transactions	Not included	The COINS Act calls for the creation of a process through which individuals can receive "non-binding feedback on a confidential basis, or as anonymized guidance to the public, as to whether a transaction would constitute a covered national security transaction in a prohibited technology."	The COINS Act contemplates a more formal mechanism for guidance as parties work to comply with the OISP's requirements. Given <a href="#">uncertainties</a> in the new program, this could provide a clearer avenue for companies to obtain guidance on compliance to avoid engaging in potentially prohibited transactions.
Public database of covered foreign persons	Not included	The COINS Act allows for establishment of a non-exhaustive public database for identifying covered foreign persons that are either engaged in a prohibited or a notifiable technology.	Though the COINS Act does not require this list to be promulgated and any such list is not meant to be comprehensive, a list of Covered Foreign Persons could ease some OISP due diligence activities since covered foreign person status currently has to be assessed fully on a case-by-case basis.

In addition to the changes to the OISP, the COINS Act also authorizes the imposition of sanctions against covered foreign entities involved in defense, surveillance, or other advanced technology sectors. These sanctions are permissible "to the extent necessary to prohibit any United States person from investing in or purchasing significant amounts of equity or debt instruments" of a covered foreign person.

Further, while Treasury is currently monitoring for OISP compliance (e.g., to identify transactions that trigger notification requirements under the OISP but for which U.S. person investors do not provide notifications), the COINS Act specifically requires that Treasury establish a process to identify U.S. persons' engagement in prohibited transactions or notifiable transactions that were not subject to a notification filing. This addition indicates a new, formalized element of monitoring and enforcement for the OISP.

### **Next Steps**

Regulatory updates implementing the COINS Act must be issued within 450 days of its enactment, which would be by mid-March 2027. Particularly given the language in the [America First Investment Policy](#) focusing on the potential expansion of the OISP, regulations could be issued in a shorter timeframe. Investors will continue to be subject to the current OISP requirements pending updates to the regulations to implement the COINS Act and should continue to carefully assess OISP compliance requirements in transactions.



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