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CFIUS Annual Report for 2025: Key takeaways

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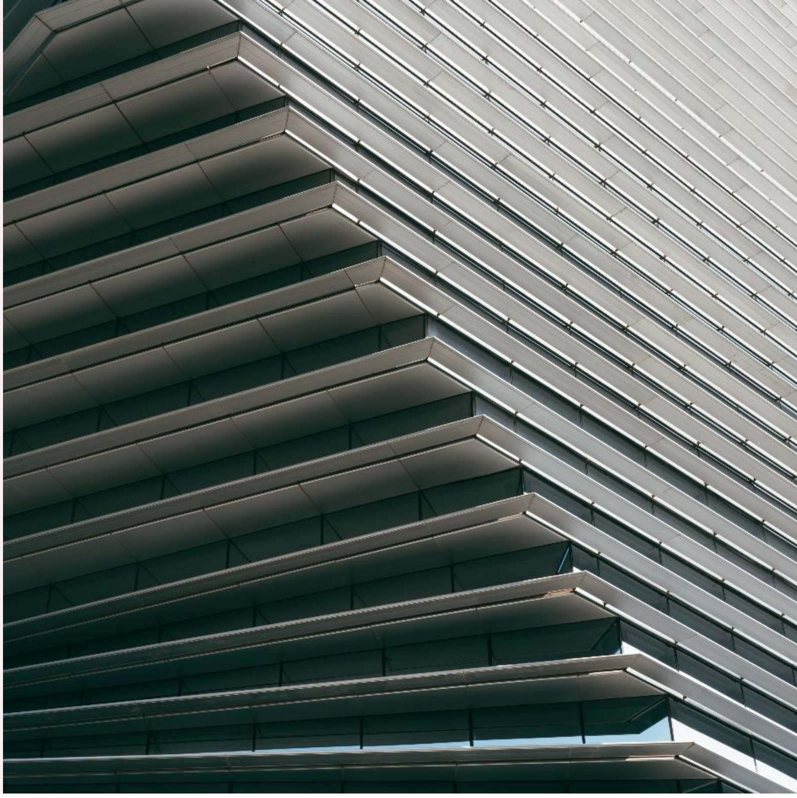

On August 7, the Committee on Foreign Investment in the United States (CFIUS) released its Annual Report to Congress covering calendar year 2025 (Annual Report). The report, which captures the first year of the second Trump administration, shows that CFIUS remained active across transaction reviews and monitoring and enforcement activities, with many trends largely consistent with those reported in 2024.

This consistency is notable given the prolonged US government shutdown in late 2025, the longest in US history, which significantly disrupted CFIUS operations for about six weeks. Several data points likely reflect the effects of the shutdown, including a decline in non-notified inquiries, an increase in withdrawals and refilings, and a rise in the number of case extensions. Beyond the formal statistics, the shutdown also delayed the CFIUS process for numerous transactions.

Total CFIUS filings increased in 2025 after decreases in the previous two years, driven by a spike in declarations. However, a higher percentage of declarations resulted in requests for a full notice than in recent years. Encouragingly for transaction parties, the lower rate of mitigation required to clear transactions in 2024 continued in 2025. At the same time, the number of transactions effectively blocked by CFIUS increased, potentially reflecting a rise in more sensitive filings. Consistent with US policy to remain the world's premier destination for foreign capital, CFIUS continued to clear most transactions without mitigation.

Below are our key takeaways from the Annual Report.

Total CFIUS filings increased in 2025, with parties filing more short-form declarations

The total number of CFIUS filings increased to 347 in 2025, up from 325 the previous year. The 2025 rise was the first increase in total filings since 2022, as total CFIUS filings went down in both 2023 and 2024. The increase was entirely due to a rise in declarations: there were 140 declarations filed in 2025, compared with 116 and 109 in the previous two years, respectively.

The number of full notices was largely flat, with 207 compared with 209 in 2024 – this remains down from 233 in 2023, 286 in 2022, and 272 in 2021. Notably, as discussed in the next section, though the total number of notices was similar to 2024, more 2025 notices started out as declarations.

Declarations were less successful in 2025 than in recent years

In 2025, approximately 66% of declarations cleared, 8% resulted in a no-action response (commonly referred to as a "shrug"), and 26% resulted in a request for a notice. By contrast, 78% of declarations in 2024 and 76% of declarations in 2023 were cleared, with 15% and 18%, respectively, resulting in a request for a notice.

Parties may have become more optimistic about declarations given the encouraging clearance statistics in recent years, but the 2025 data emphasize the importance of carefully assessing which form of filing makes the most sense based on the given details of a transaction. While the declaration route offers a shorter timeline to a response, it also provides the CFIUS agencies with a shorter timeline to review and coordinate to clear a transaction.

CFIUS continued to clear most transactions without mitigation, although more deals were effectively blocked

In an encouraging sign, the 2024 decline in the rate of mitigation requirements continued into 2025. CFIUS required mitigation as a condition to clearance in approximately 7.2% of notices (15 of 207 notices) in 2025 – down slightly from about 7.7% in 2024 (16 of 209 notices), which itself represented a 50% decline from the prior year. This is broadly consistent with the Trump Administration's America First Investment Policy, which seeks to reduce complex, long-term mitigation.

CFIUS did, however, effectively block more deals. In 2025, seven notices were abandoned based on CFIUS concerns or mitigation measures the parties were not willing to accept, up from four in 2024. Two deals were formally blocked by the president, consistent with 2024's presidential block rate. These nine notices reflect approximately 4.3% of notices resulting in a block, up from about 2.9% in 2024. This may reflect more sensitive deals being notified in 2025. For example, filings involving US businesses in the semiconductor and aerospace manufacturing sectors increased significantly. The government’s heightened focus on US defense industrial base supply chains may have also contributed.

Notably, the total number of notices does not represent the number of distinct transactions notified to CFIUS because it excludes the effects of withdrawals and refilings (which, as discussed below, increased in 2025). As a result, the rate of mitigation and blocked transactions is actually higher than the statistics indicated in the Annual Report. It therefore remains critical to assess and carefully plan for potential CFIUS concerns at the outset of a transaction, particularly as CFIUS sensitivities continue to evolve in the context of the geopolitical landscape.

Certain CFIUS process statistics largely held steady, but even discounting direct government shutdown delays, more filings required additional review time

Approximately 55% of notices proceeded to the investigation phase in 2025, largely unchanged from 56% in 2024 and 55% in 2023. The Annual Report also noted that, excluding tolled days, CFIUS cleared 67% of covered transactions within the 30-day assessment period (for declarations) or the initial 45-day review period (for notices) in 2025.

These statistics, however, reflect only the days during which the statutory review clock was running, not the actual length of time a CFIUS filing took. US government shutdowns toll CFIUS deadlines and prevent CFIUS from accepting new filings, meaning that during the fall 2025 shutdown the statutory periods for in-process declarations and notices were paused and new reviews could not formally begin, extending overall CFIUS timelines. Last year there was also a jump in cases being withdrawn and refiled. In 2025, 25% of notices were withdrawn and later refiled. This was up from 20% in 2024 and 18% in 2023. CFIUS also invoked its authority to extend the investigation period in eight cases, a step reserved for "extraordinary circumstances," up from two instances in 2024 and one in 2023.

These trends may reflect practical effects of the 2025 government shutdown, including CFIUS needing additional time as it worked through backlogs and other challenges, but are important to watch as they can materially affect deal timelines.

CFIUS non-notified activity declined in 2025

Despite a continued emphasis on non-notified inquiries, the level of CFIUS non-notified activity decreased in 2025 compared with recent years. As in prior years, the Annual Report noted that CFIUS identified thousands of potential non-notified transactions and then took additional action with respect to a subset of deals. In 2025, CFIUS investigated 90 non-notified transactions and opened official inquiries for 62, down from investigating 98 and initiating 76 formal inquiries in 2024. This resulted in filings for 11 non-notified transactions in 2025 (nine requested by CFIUS and two submitted voluntarily following a non-notified inquiry), compared with 17 non-notified filings in 2024.

The decline likely reflects, at least in part, the effects of the government shutdown, since the CFIUS agencies play a key role in assessing potential national security considerations. It is also possible that CFIUS is taking a more targeted approach for those transactions it reviews internally. CFIUS remains focused on identifying non-notified transactions of interest, so transaction parties should continue to consider the likelihood of a future CFIUS inquiry when evaluating whether a voluntary filing or CFIUS consultation is appropriate.

CFIUS continued its monitoring and enforcement efforts in 2025, but the Annual Report did not provide details on penalties

As of year-end 2025, CFIUS was monitoring 234 mitigation agreements and conditions, a decline from 242 at the end of 2024 and reflecting the termination of 23 mitigation agreements or conditions in 2025. CFIUS also materially modified four mitigation agreements and conditions in 2025. CFIUS monitoring agencies conducted 40 site visits in 2025, down from 79 in 2024 and similar to the 43 site visits reported for 2023.

As with other statistics, CFIUS monitoring activities, including site visits, were likely impacted by the government shutdown. The Annual Report stated that monitoring agencies continued to investigate noncompliance, worked to achieve remediation, and assessed whether penalties were appropriate. It also noted that there were two formal determinations of noncompliance with mandatory filing requirements, and CFIUS continues to investigate voluntary self-disclosures and other potential violations. The Annual Report does not, however, indicate whether CFIUS imposed any penalties in 2025, meaning that 2024 remains the most recent year for which penalty information is publicly available.

China and Japan were again the leading investor countries represented in notices and declarations, respectively, although Japan ranked first for distinct transactions across both filing types

China remained the lead country represented in notices (17% at 33 notices), followed by Japan (12% at 23 notices), the United Arab Emirates (9% at 18 notices), and Canada (7% at 15 notices). Importantly, the notice statistics do not represent individual transactions. For example, Chinese filing figures are consistently inflated due to withdrawals and refilings that result in multiple notices for the same transaction. Though the Annual Report did not provide details, it noted that when measured by distinct transactions, Japan, the United Arab Emirates and Canada were the most represented investor countries.

Japan again led declaration filings, accounting for 13% of declarations (18 declarations), followed by France (10% at 14 declarations) and Singapore (9% at 13 declarations). Although there have been shifts in CFIUS filing activity by given countries from year to year – e.g., there were notable increases in declarations involving South Korean and Singaporean investors in 2025 – the data continues to show that investors from US allies and partner countries account for most CFIUS filings. This pattern is consistent with the high CFIUS clearance rate.

Real estate filings remain uncommon but continued to increase

In 2025, CFIUS received 14 real estate filings, split evenly between notices and declarations. Though still a low percentage of overall filings, this reflects a steady increase from nine filings in 2024 and five in 2023. The trend is consistent with CFIUS's expansion of its jurisdiction over covered real estate in recent years and heightened attention to foreign acquisitions near sensitive government facilities and locations.

Closing remarks

Overall, the Annual Report indicates both the continuation of certain positive trends as well as some significant process and timeline challenges, particularly for more sensitive cases and in light of the 2025 US government shutdown. As CFIUS remains highly active and focused on balancing the Trump Administration's encouragement of foreign investment with CFIUS's core national security mission, the data in the Annual Report underscore the need for transaction parties to carefully assess CFIUS risks, plan filings strategically, and build cushions into deal timelines to account for potential delays and process uncertainty.

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