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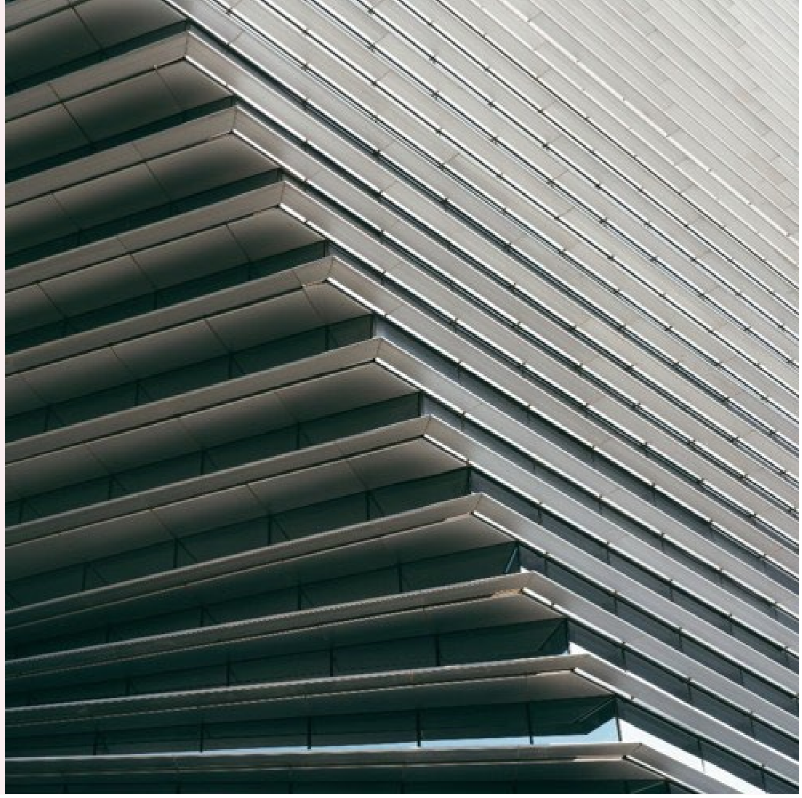
CFIUS Annual Report 2025: Key Takeaways

August 11, 2026



On August 7, the Committee on Foreign Investment in the United States (**CFIUS**) released its Annual Report to Congress addressing data for calendar year 2025 (**Annual Report**). Covering the first year of the second Trump Administration, the Annual Report demonstrates that CFIUS continues to be active with both transaction reviews and monitoring and enforcement activities and largely shows continuity with the 2024 report. The consistency is notable given the prolonged US government shutdown in late 2025, which was the longest in US history and significantly disrupted CFIUS operations for about a month and a half. That said, several data points likely reflect the effects of the shutdown. These include a decline in non-notified inquiries, an increase in withdrawals and refilings, and a rise in the number of case extensions. Aside from what is indicated in formal statistics, the shutdown also delayed the CFIUS process for numerous transactions. With respect to other trends, total CFIUS filings increased in 2025 after decreases in the prior two years. This was driven by a spike in declarations, though a higher percentage of declarations resulted in requests for a full notice than in recent years. Encouragingly for transaction parties, the decreased rate of mitigation being required to clear transactions in 2024 continued in 2025. At the same time, the number of transactions effectively blocked by CFIUS ticked up, potentially due to an increase 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 prior year. The 2025 rise was the first uptick 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 the "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 the vast majority of transactions without mitigation and the decline in CFIUS mitigation rates continued in 2025, though CFIUS stopped more deals.** 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 had itself been 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, 7 notices were abandoned based on CFIUS concerns or mitigation measures the parties were not willing to accept, up from 4 in 2024. Two deals were formally blocked by the president, consistent with 2024's presidential block rate. These 9 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, there was a significant increase in filings involving US businesses in the semiconductor and aerospace manufacturing sectors. 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). Accordingly, the rate of mitigation and blocked transactions is actually higher than what the statistics alone suggest. 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 more filings required additional 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 reported 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 the days during which the statutory review clock was running—not the actual length of time a CFIUS filing took. For example, US government shutdowns toll CFIUS deadlines, meaning that, during the fall 2025 shutdown, the statutory periods for declarations and notices were paused, extending overall review timelines. Last year also saw 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 8 cases, a step reserved for "extraordinary circumstances," up from 2 in 2024 and 1 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 in coming years as they can have meaningful effects on deal timelines.
- **CFIUS non-notified activity decreased in 2025.** Despite a continued emphasis on non-notified inquiries, the level of CFIUS non-notified activity declined in 2025 compared to recent years. As with 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 transactions and initiating 76 formal inquiries in 2024. This resulted in filings for 11 non-notified transactions in 2025 (9 requested by CFIUS and 2 voluntarily filed after a non-notified inquiry), down from 17 non-notified filings in 2024. External factors such as the effects of the government shutdown likely had an impact since the CFIUS agencies play a key role in assessing whether a non-notified transaction raises 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 weigh the likelihood of CFIUS inquiring about a transaction when conducting their assessment of 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.** The Annual Report reflected continued monitoring and enforcement activity by CFIUS, but offered limited details relating to enforcement actions. 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. Additionally, CFIUS materially modified 4 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 2 formal determinations of noncompliance with mandatory filing requirements, and CFIUS continues to investigate voluntary self-disclosures and other potential violations. The Annual Report did not, however, indicate whether CFIUS imposed any penalties in 2025, meaning that the most recent details available on CFIUS penalties are still for 2024.
- **China and Japan remained the top investor countries represented in notices and declarations, respectively, though for distinct transactions Japan was the lead for both types of filings.** 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 overall notice statistics do not represent individual transactions—for example, the number of Chinese filings is consistently inflated due to withdrawals and refilings resulting in multiple notices for the same transaction. When accounting for distinct transactions, the most represented investor countries were Japan, the United Arab Emirates, and Canada. With respect to declarations, Japan again led (13% at 18 declarations), followed by France (10% at 14 declarations) and Singapore (9% at 13 declarations). Though there have been some shifts in activity by given countries from year to year—e.g., there were notable increases in the number of declarations for investors from South Korea and Singapore in 2025—the overall statistics continue to reflect that investors from US allies and partner countries account for most CFIUS filings. This trend is consistent with the high CFIUS clearance rate.
- **Real estate filings remain uncommon but have been increasing.** In 2025, there were 14 total real estate filings split evenly between notices and declarations. Though still a low percentage of overall filings, this does reflect a steady uptick from 9 total real estate filings in 2024 and 5 in 2023. Although real estate transactions remain a small number of total filings, the increase 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 installations and areas.

Overall, the Annual Report indicates both the continuation of certain positive trends as well as some 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 emphasize the need for transaction parties to carefully assess CFIUS risks, plan filings strategically, and build cushions into deal timelines to account for potential process uncertainty.

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