SQUIRE PATTON BOGGS

New 2025 CFIUS annual report to Congress

Trends and key takeaways

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The Committee on Foreign Investment in the United States ("CFIUS" or the "Committee") recently released its most recent annual report to Congress for the calendar year (CY) 2025, containing anonymized and aggregated data on the CFIUS filings and cases during that year.

The report generally reinforces the historical CFIUS trend in filings and shows a steadied increase in the investigation of non-notified cases, but also had some notable deviations. This alert summarizes some of the notable data and trends in the CFIUS annual report, logically separately by the data related to the short-form declaration-type filings and data relating to the long-form (tradition) joint voluntary notices (JVNs) (a summary of the different filings and their significance is included in our CFIUS Authority and Process Overview), followed by some important observations on CFIUS investigations and enforcement actions.

2025 annual report takeaways on declaration filings

- **CFIUS reviewed 20% more declarations (140) in CY 2025, bringing the volume in line with 2021 and 2022 numbers. Only 116 declarations were submitted in CY 2024, which continued a 2023 trend toward less declaration filings**. Declarations filed in 2023 and 2024 were significantly less than those submitted in 2021 and 2022 (164 and 154, respectively), when declaration filings were just introduced under a new law. The increase in declaration filings is likely attributed, in part, to more benign transactions (i.e., those unlikely to raise national security concerns) seeking to file with CFIUS to address the uncertainty accompanying the recent increase in scope of national security concerns, as well as an increase in mandatory filings by more trusted investors (51 of the declarations were for mandatory filings, compared with 36 from 2024).

- **Japan remained the leading filer of declarations in 2025**, submitting 18 filings. Canada, which previously ranked second, fell to sixth place after being surpassed by France (14 declarations), Singapore (13), Germany (12), and South Korea and the UK (11). All the top countries are historic sources of foreign investment and have historically invested in "critical technology" US businesses, which are those that may implicate mandatory filing obligations.

Ranking	2025 country	2025 number of declarations filed	2024 country	2024 number of declarations filed
1	Japan	18	Japan	16
2	France	14	Canada	11
3	Singapore	13	France/UK	9
4	Germany	12	Germany	8
5	South Korea/UK	11	UAE	7

- **Continuation of Chinese investors rightly avoiding the declaration process**. In 2025, five Chinese transactions were filed as declarations, a slight increase from the two Chinese transactions filed as declarations in both CY 2024 and 2023. This continued trend of low declaration numbers for China (PRC) demonstrates that PRC filers are aware that their chances of clearing a deal within the abbreviated CFIUS declaration process remain slim – and that the parties in PRC-related transactions are often better served by filing JVNs, as evidenced by the far higher number of JVNs filed by PRC in 2025 (see discussion in the JVN section below). Nonetheless, there may still be strategic reasons to file a declaration for PRC investors in some cases.

- **Material risk remains that declaration filings can prolong the process: CFIUS requested full notice filings from parties in approximately 25% of the declaration filings.** Of the 140 declarations, 36 (approximately 25%) resulted in a request from CFIUS to submit a JVN filing in 2025. This indicates that a declaration filing option should not have been pursued for 25% of the cases, causing parties to incur additional resources to undergo the declaration process when it would have been more efficient to proceed directly to a notice filing. This highlights the importance of conducting an upfront CFIUS diligence assessment to properly weigh the strategic option of a declaration filing in the context of a deal, particularly deals with tight timelines.

  Given the risk that CFIUS can ask for a JVN at the end of the 30-day review, declarations are best suited for only the most straightforward cases that will likely raise minimal issues to diligence by CFIUS (e.g., internal reorganizations). Some declarations are, of course, mandatory, including foreign government-controlled investments, but parties always have the option to submit a JVN in lieu of a declaration, which is commonly used because mandatory filings involve the more sensitive "TID US businesses."

- **CFIUS cleared 67% of the declaration filings, indicating that it remains a viable option for straightforward cases.** Despite the difficulties with government shutdowns (resulting in 120 days of lapsed funding in 2025), CFIUS impressively was able to clear over two-thirds of all declaration filings within the abbreviated 30-day review period. Note that CFIUS was "unable to conclude action" on 11 declarations in 2024 (8% of the 140 declarations filed); in 2024, the number was seven. The report does not provide statistics on the number of these transactions that were refiled as JVNs.

2025 annual report takeaways on JVN filings

- **Consistent number of JVNs, but similar investor countries involved.** The number of JVNs filed in CY 2024, 207, continues a downward trend from 2022's record number of 286, 2023's number of 233, and 2024's number of 209. PRC is at the top for filer of JVNs, with 33 in total, followed by Japan and the UAE, with 23 and 18, respectively.

	2025 country	2025 number of JVNs filed	2024 country	2024 number of JVNs filed
1	PRC	33	PRC	26
2	Japan	23	France/Japan	23
3	UAE	18	UAE	21
4	Canada	15	Singapore	14
5	Israel	12	Canada/Germany	12

- **Consistent with prior years, around half of all cases are going into a second-phase investigation.** Of the 207 JVNs accepted for review, 114 went to investigation – roughly 55% of JVNs filings. This is consistent with historical data in this category (with an aggregate average of approximately 55%) as evidenced in the following table.

- **Consistent aggressive review of non-notified transactions (NNTs) ("thousands") but material drop in official inquiries (down approximately 36%) and subsequent filings (down 25%).** As in previous years, CFIUS' NNT enforcement team reviewed and considered "thousands of potential non-notified transactions." Of these reviews, the CFIUS NNT team put forth 62 transactions to the Committee for approval to open official inquiries compared to 98 in 2024. CFIUS' NNT team continues to increase its efforts, year over year, in tracking down cases of interest that have not been filed, but appears to have been more selective in 2025 in those cases it put forth to the Committee for a full vote and official inquiry. Nonetheless, the volume of cases reviewed serves as a warning to transaction parties to carefully consider their exposure – even a seemingly innocuous foreign investment could raise CFIUS interest and, as such, parties should conduct appropriate CFIUS diligence.

- **Material drop in mitigation conditions but increase in transactions abandoned.** In 15 of the 2025 JVNs, CFIUS concluded its review after adopting mitigation measures to resolve national security concerns compared to 15 cases in 2024. The report notes that 10 JVNs were withdrawn and the subject transactions abandoned, which when added to the total cases mitigated would bring the figures in line with 2024. (Note: CFIUS must agree to grant a withdrawal, and the imposition of conditions with a withdrawal is a common occurrence.) The increase in transactions that were abandoned after withdrawal could be attributable to the America First Investment Policy's preference for mitigation agreements that have concrete achievable goals instead of open-ended obligations, and a preference away from mitigation with foreign adversary countries.

- **Despite similar number of filings in 2024, material increase in the number of withdrawals and refilings with CFIUS.** Sixty-one of the 207 JVNs were withdrawn by the parties after commencement of a CFIUS investigation (roughly 29%), an increase from the previous year (49). There are any number of reasons why this occurs – the most common being because CFIUS or the parties need more time than the investigation period allows: In 51 of these cases, the parties resubmitted their JVNs (37 refiled in 2025, and 14 in 2026). As noted above, in 10 cases the parties withdrew their JVNs and then abandoned the transactions: seven because the parties could not agree on mitigation measures that would resolve the national security concerns, and three due to commercial reasons.

Other notable facts from the 2025 annual report

- Same countries at the table. Cumulatively, investors from the top five filing jurisdictions represented approximately 35% of total filings, JVNs and declarations combined:

Top five investor country names	Number of filings (JVNs + declarations) for 2025	Percentage of total filings for 2025 (out of 347)
Japan	41 filings	11.82%
PRC	33 filings	9.51%
UAE	18 filings	5.19%
Canada	15 filings	4.32%
France	14 filings	4.03%

- Steady use of presidential authority. As in 2024, there were two presidential orders issued for CFIUS-reviewed transactions in 2025:
  - In June 2025, President Donald J. Trump issued a presidential order permitting Nippon Steel Corp. and United States Steel Corp. to complete their merger, originally prohibited by presidential order in January 2025, by then President Joseph R. Biden, subject to the condition that the parties enter into a national security agreement (NSA), with key terms including the parties issuing a "golden share" to the US government.
  - In July 2025, President Trump imposed an ordered prohibiting Suirui International Co., Limited (China/Hong Kong) from acquiring Jupiter Systems, LLC and requiring divestment of the US business.

Conclusion

The annual report for CY 2025 is 70 pages long, and transaction parties contemplating filing with CFIUS always are well advised to coordinate with experienced CFIUS counsel when considering how the data and trends outlined within these pages may be applicable to their transactions, and when weighing the shifting national security and foreign policy priorities that may impact their risks. Each transaction presents its own challenges. As with any regulatory risk in the M&A process, diligence preparation is crucial to limiting deal risk and timing uncertainties.

For more information, please contact any of the following members of our International Trade & Foreign Investment Practice Group.

Peter C. Alfano III
Partner, Washington DC
T +1 202 626 6263
peter.alfano@squirepb.com

Tyler J. Wood
Partner, Washington DC
T +1 202 457 5289
tyler.wood@squirepb.com

Chris Griner
Partner, Washington DC
T +1 202 457 5283
chris.griner@squirepb.com

George N. Grammas
Partner, Washington DC | London
T +1 202 626 6234
T +44 20 7655 1301
george.grammas@squirepb.com

Amjad Wakil
Associate, Washington DC
T +1 202 457 5547
amjad.wakil@squirepb.com

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