

Nova Daly Discusses Expansion of CFIUS Power to Review Foreign Investments in U.S. Technology

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Nova J. Daly, senior public policy advisor in Wiley Rein's International Trade and Privacy & Cybersecurity practices, was quoted by *The Wall Street Journal* in an October 10 article regarding the U.S. Department of the Treasury's implementation of a new law that significantly expands the jurisdiction of the Committee on Foreign Investment in the United States (CFIUS).

Rules issued by the Treasury this week will require foreign investors in certain deals involving critical U.S. technology to notify CFIUS or risk facing substantial fines, according to the article. The new law was prompted, in part, by concerns that certain technology deals in Silicon Valley in recent years would pose a threat to U.S. national security and technology leadership, including those from China. The regulations will bring more transactions – including noncontrolling foreign investments in U.S. companies – in front of CFIUS.

"This significantly changes the importance of CFIUS for foreign investors because it is now a mandatory process for a broad swath of technological acquisitions," said Mr. Daly, who previously ran the CFIUS process as Deputy Assistant Secretary at the Treasury.

The *Wall Street Journal* article can be found here (*subscription required*).

Wiley Rein's October 10 client alert, which Mr. Daly co-authored with partners Richard C. Sofield and Daniel B. Pickard, provides additional analysis of the new rules.

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