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# Hughes Hubbard & Reed

## The Growing and Continued Focus on Chinese Investment in CFIUS Reviews

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**July 26, 2021** - In "[The Growing and Continued Focus on Chinese Investment in CFIUS Reviews](#)," Hughes Hubbard attorneys [Ryan Fayhee](#), [Roy Liu](#), and [Tyler Grove](#) review how mounting bipartisan anxiety over competition with China has transformed the Committee on Foreign Investment in the United States (CFIUS) process from a 'check-the-box' exercise in merger and acquisition activity involving U.S. businesses into one of the tools at the forefront of U.S. foreign policy. The article was recently published in The China Question – a WorldECR Special Report.

Concern about Chinese strategic objectives has proven to be the driving force in the rapid transformation of CFIUS since 2018, and is likely to be the primary impetus for future reviews before the Committee. As seen in the highly publicized retrospective review of Chinese company Bytedance's 2017 acquisition of Musical.ly, after it created the popular TikTok app, the recent build-up of CFIUS' funding and personnel has allowed the Committee to engage in a lookback analysis of investment by Chinese companies in U.S. tech start-ups. Although expanded CFIUS jurisdiction under the Foreign Investment Risk Review Modernization Act of 2018 (FIRRMA) has significantly diminished Chinese investment in the United States, additional areas of concern remain, and there appears to be broad support within the U.S. government to creatively use a variety of remedies to close perceived gaps.

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**Ryan Fayhee**



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