

Early Signs of *America First Investment Policy* Implementation Are Here

May 19, 2025

Since the release of the [America First Investment Policy](#) on February 21, 2025, the Trump administration has made its foreign investment objectives and intended outcomes clear. Until recently, however, the specific methods for implementing these objectives had not been fully articulated. That is starting to change.

While [we previously addressed](#) the release of the *America First Investment Policy*, [recent remarks](#) from Deputy Secretary of the Treasury Michael Faulkender delivered at the American Conference Institute's annual conference on the Committee on Foreign Investment in the United States ("CFIUS") offered critical insight into the administration's evolving approach to investment screening and national security risk mitigation and how it is both similar to and different from prior foreign investment policy. Not long after these remarks, the Department of the Treasury [announced initial plans](#) for the "fast-track" CFIUS review first mentioned in the *America First Investment Policy*, and the Trump administration [announced the U.S.-U.K. Economic Prosperity Deal](#), which includes terms for bilateral cooperation regarding investment security. These developments signal that implementation of the *America First Investment Policy* has begun in earnest, and the Deputy Secretary's remarks provide a road map of what to expect next.

The Trump Administration's Implementation of the *America First Investment Policy*

The *America First Investment Policy* aims to (i) attract capital from allied countries, (ii) reduce regulatory burdens on low-risk transactions, and (iii) increase protections against foreign adversarial influence, with a particular focus on the People's Republic of China ("PRC"). The policy supports reforms across both inbound and outbound investment channels and signals a move toward greater proportionality and predictability in U.S. national security reviews.

In his April 24, 2025 remarks, Deputy Secretary Faulkender outlined how the Trump administration is implementing this policy and how it will impact CFIUS, while also providing updates on the recently launched *Outbound Investment Security Program*. He

outlined a set of strategic priorities guiding the Treasury Department's execution of the policy, some of which have already led to concrete actions.

Making the United States a Primary Place for Benign Foreign Investment

The Deputy Secretary reaffirmed the Trump administration's support of foreign direct investment as a means of strengthening the U.S. economy by creating new jobs and other opportunities for Americans. The Deputy Secretary highlighted as preferable "benign" investment from U.S. allies and partners and "passive" investment from all foreign persons. He contrasted these investments with those directly or indirectly tied to "foreign adversary" sources, especially those connected to the PRC, and confirmed that foreign adversary-linked investments must face heightened scrutiny through the CFIUS process.

Reducing Uncertainty and Unnecessary Regulatory Burdens on Investors

According to the Deputy Secretary, the Treasury Department is advancing CFIUS reforms through two principal initiatives mentioned in the *America First Investment Policy*:

- **"Fast-Track" Review.** The Treasury Department is in the "the early stages" of developing a "fast-track" review for investors from U.S. ally and partner nations. Plans include collecting investor information earlier in the process, potentially before a formal filing, to enable faster risk-based assessments, particularly for foreign investors that repeatedly file with CFIUS. Since the Deputy Secretary's remarks, the Treasury Department announced in a May 8, 2025, press release that the "fast-track" review "will include the launch of a Known Investor portal" that allows CFIUS to "collect information from foreign investors in advance of a filing." The Treasury Department intends to "conduct a pilot of this process and build from it over time."
- **Streamlining Mitigation.** The Treasury Department is also evaluating how to make CFIUS mitigation measures more proportionate. Deputy Secretary Faulkender criticized existing approaches as "overly bureaucratic, complex, and open-ended," and called for more targeted, time-limited commitments that directly address identified risks. The remarks did not go into detail about whether some level of ongoing monitoring would still be necessary to ensure compliance. The Treasury Department is also developing additional public guidance to support earlier and more tailored mitigation planning by transaction parties so potential national security concerns that would be mitigated can be addressed by parties in advance of a CFIUS filing.

Increasing Investment Review Collaboration with Foreign Allies and Partners

The Deputy Secretary also shared that stronger international coordination is a central element of the Trump administration's investment strategy. The Treasury Department is urging allies to adopt and enforce robust screening mechanisms to prevent foreign adversaries from using third-country investments to bypass U.S. controls. Countries with sound investment oversight—referred to by Deputy Secretary Faulkender as demonstrating “good hygiene”—are likely to benefit from lowered CFIUS barriers to investment in the U.S. market.

The Trump administration's efforts to promote international coordination for investment security were publicly revealed in the terms of the U.S.-U.K. Economic Prosperity Deal. While the deal primarily addressed market access and trade barriers like tariffs between the United States and the United Kingdom, it also included a commitment by both countries “to cooperate on the effective use of investment security measures, export controls, and ICT vendor security, building on the current levels of close alignment on trade and investment security measures.” This commitment to cooperate on investment security appears to align with the Deputy Secretary's statements encouraging allies to adopt and enforce screening mechanisms that will also protect U.S. interests.

The deal also provides that both countries will identify mutually beneficial investment opportunities for each other “to increase economic integration in critical industries and defense preparedness” and will facilitate such opportunities through “leveraging government policies, licenses, and programs and private-sector participation.” Going forward, the Trump administration may use the U.S.-U.K. deal as a template for securing cooperation from other countries on investment security while using trade negotiations as a primary mechanism for achieving these goals.

Continuing and Improving the Outbound Investment Security Program

Further, the Deputy Secretary provided updates on the Outbound Investment Security Program, which imposes either a notice requirement or an outright prohibition on U.S. person investments involving China-related parties engaged in certain quantum information technology, artificial intelligence, and semiconductor and microelectronics activities. According to the remarks, the Treasury Department is receiving required notifications, monitoring the outbound investment market, and reviewing public feedback on the program. Deputy Secretary Faulkender also noted that the Trump administration will “continue to evaluate whether the program is appropriately scoped to be responsive to developments in technology and the strategies of countries of concern.”

Takeaways from the First Signs of *America First Investment Policy* Implementation

In many ways, the implementation of the *America First Investment Policy* reflects longstanding principles and priorities that have guided past presidential administrations, even when not articulated in a formal foreign investment policy. For instance, the policy's treatment of foreign investment is consistent with CFIUS's historical approach—that investments from U.S. allies and partners will generally receive less scrutiny than those linked to so-called adversarial sources, and that passive investments typically raise fewer concerns than those granting significant rights or influence to foreign investors. Similarly, international coordination with U.S. allies and partners on foreign investment has long been a priority for the U.S. government. (Although, the Trump administration's decision to incorporate such coordination into formal trade agreements marks a novel integration of investment security into broader trade policy.) The continuation of the *Outbound Investment Security Program* further demonstrates consistency at some level with prior efforts in regulatory outbound investment.

Despite these elements of continuity, the Trump administration could meaningfully alter the U.S. government's regulation of foreign investment depending on how it continues to implement specific measures outlined in the *America First Investment Policy*. The most notable areas are:

- **The “Fast-Track” CFIUS Review Process.** The “fast-track” CFIUS review process could offer meaningful benefits to parties making a CFIUS filing, particularly those from U.S. ally and partner countries. The Treasury Department's May 8, 2025 press release states that the “fast-track” review process will involve foreign investors submitting information to CFIUS via a “Known Investor” portal, which will allow CFIUS to collect (and presumably review) information about that investor in advance of a filing. The Treasury Department intends to conduct a pilot of this process and build on it in the future. Although the Treasury Department has not shared more about the “fast-track” process at this time, additional features appear likely, such as CFIUS perhaps sending follow-up questions to a foreign investor that has submitted information through the “Known Investor” portal even before a formal CFIUS filing is made. CFIUS collecting and reviewing foreign investor information in this manner appears likely to assist in more efficient CFIUS reviews, which should decrease instances where CFIUS needs longer review periods to fully assess the risk from foreign investors.
- **More Streamlined CFIUS Mitigation.** Streamlining mitigation measures aligns with the Trump administration goal of making the United States a more desirable place of foreign investment. A less burdensome mitigation process could enhance CFIUS's appeal and incentivize more voluntary filings. This would be especially so if

the Treasury Department issues guidance clarifying the steps foreign investors or U.S. businesses can take before making a CFIUS filing to reduce the likelihood of mitigation being imposed. However, while the *America First Investment Policy* calls for the elimination of “overly bureaucratic, complex, and open-ended” mitigation, and the Deputy Secretary’s remarks echo this sentiment, some level of ongoing monitoring by CFIUS will be required to ensure compliance with mitigation measures. Even when a certain mitigation measure must be implemented by a specific deadline—such as the implementation of a data security policy—ongoing monitoring by CFIUS is typically reflected in reporting and audit requirements, and these requirements have been commonly part of mitigation packages. The extent to which CFIUS is willing to cease ongoing monitoring requirements can be expected to evolve under the Trump administration.

Changes to the Outbound Investment Security Program

Although the Trump administration is administering the *Outbound Investment Security Program* as promulgated by the prior presidential administration, the Deputy Secretary’s remarks suggest that changes are likely. Remarks concerning the evaluation of the *Outbound Security Program’s* scope suggest the Trump administration may be considering an expansion. If aligned with the priorities outlined in the *America First Investment Policy*, such an expansion could extend to outbound investments in additional sensitive sectors identified in the *Policy*—such as biotechnology, aerospace, hypersonics, advanced manufacturing, and directed energy technologies. It could also broaden the range of targeted “foreign adversaries.

Overall, the Trump administration’s approach to foreign investment has a clear vision: welcoming capital from trusted allies while drawing sharp lines against adversarial influence. As implementation of the *America First Investment Policy* progresses, investors and companies should look for more predictability in low-risk transactions while expecting deep scrutiny where PRC-linked ownership or influence may be present. While there is potential for this policy to create a more welcoming investment environment for certain foreign investors, the precise changes to be undertaken by the Treasury Department, CFIUS, and other national security regulators to implement these policy goals are still unfolding, and those changes will likely be the key to whether the Trump administration will achieve meaningfully different foreign investment outcomes in line with its vision.

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Please do not hesitate to contact us with any questions.



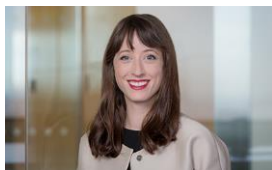
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