

FACT SHEET: Addressing U.S. Investments in Certain National Security Technologies and Products in Countries of Concern

Cross-border investment flows and the United States' open investment policy contribute to our economic vitality. Countries of concern, however, are exploiting certain U.S. outbound investments in ways that threaten to accelerate the development of sensitive technologies and products that undermine our national security interests. The Biden-Harris Administration is committed to keeping America safe by preventing countries of concern—namely the People's Republic of China—from advancing in key technologies that are critical to their military modernization.

Today, the U.S. Department of the Treasury issued a Final Rule to implement President Biden's Executive Order 14105 of August 9, 2023, "Addressing United States Investments in Certain National Security Technologies and Products in Countries of Concern." The Final Rule provides the operative regulations and a detailed explanatory discussion regarding its intent and application.

As directed in the President's Executive Order, the Final Rule prohibits U.S. persons from engaging in certain transactions involving a defined set of technologies and products that pose a particularly acute national security threat to the United States. The Final Rule also requires U.S. persons to notify the Department of the Treasury of certain other transactions involving a defined set of technologies and products that may contribute to a threat to the national security of the United States.

Covered technologies fall into three categories: semiconductors and microelectronics, quantum information technologies, and artificial intelligence. This narrow set of technologies is core to the next generation of military, cybersecurity, surveillance, and intelligence applications.

The United States already prohibits or restricts the export to countries of concern of many of the technologies and products covered by the Final Rule. This program complements the United States' existing export control and inbound screening tools by preventing U.S. investment from advancing the development of sensitive technologies and products in countries of concern.

Today's announcement follows extensive and thorough consultations with hundreds of stakeholders, bipartisan members of Congress, industry members, and foreign allies and partners and two rounds of formal comments from the public. The announcement is the final step in the process President Biden announced in August of 2023 when he signed the Executive Order.

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