



Press Release

White House Strikes First on Outbound Investment

PAULINA ENCK | AUGUST 24, 2023

The Department of Treasury is soliciting comments for its Advance Notice of Proposed Rulemaking (ANPRM) to promulgate rules for tracking and restricting flows of outbound capital by U.S. persons. In a new insight, Director of International Economic Policy Tori Smith walks through Treasury's anticipated plan for implementation and discusses how this policy compares to congressional proposals on outbound investment.

Key points:

- Treasury is expected to propose rules that would prohibit U.S. persons from engaging in certain types of investment – including private equity, venture capital, joint ventures, and some debt financing – in the sectors of semiconductors and microelectronics, quantum information technologies, and certain artificial intelligence systems.
- The plan was prompted by a Biden Administration executive order that declared a national emergency under the International Emergency Economic Powers Act and instructed Treasury to establish a program to prohibit U.S. persons from engaging in certain types of investment in “countries of concern,” including China, Hong Kong, and Macau.
- While the scope of the executive order and ANPRM is narrower than some proposals as it covers fewer sectors, it is broader than the tool in the Senate version of the National Defense Authorization Act: The administration's actions would go beyond a notification system and allow Treasury to block transactions and investigate and refer possible violators to the U.S. attorney general.

[Read the analysis](#)