

## CASE SUMMARY | RISK & COMPLIANCE

# CFIUS FIRRMA/ECRA Pilot Program Advisory



### SITUATION

A high tech US-based telecommunications component design services company considering entering into a business transaction involving investment by a non-US company wanted to proactively address compliance and business risks, such as potentially needing to initiate a mandatory filing with the Committee on Foreign Investment in the United States (“CFIUS”) and/or needing to obtain export licenses for the transfer of component designs to the potential non-US business partner.



### TASK

The Ankura team was tasked with assessing the US-based company’s proprietary technologies to determine if the proposed investment by the non-US company would require submission of a filing with CFIUS under the Foreign Investment Risk Review Modernization Act (“FIRRMA”) Pilot Program Regulations, and whether the US-based company would need to obtain any export licenses in relation to the technology transfer.



### ACTION

Ankura engaged with the US-based company’s leadership and technical experts to understand of the US-based company’s business, its proprietary technologies, and the proposed business transaction. This enabled the Ankura team to execute a transaction risk-tailored action plan, including:

- Determining the likely US export classifications of the hardware to be produced using the US-based company’s designs
- Using those classifications and information about the designs to determine the likely US export classifications of the US-based company’s designs themselves (i.e., the technology)
- Determining if the technologies’ classifications fell under the definition of “Critical Technology” in the FIRRMA Pilot Program Regulations
- Assessing whether transfer of the technologies to the non-US company would require an export license
- Providing guidance on whether the proposed business transaction required a mandatory CFIUS filing based on the current regulations.



### RESULTS

Ankura determined that the US-based company’s technologies did not rise to the level of “Critical Technologies” and thus that the company was not subject to the mandatory reporting requirement under the FIRRMA Pilot Program. This analysis enabled the US-based company to confidently move forward with the business transaction.

## ABOUT US

Ankura is defined by *HOW* we solve challenges. Our business advisory and expert services focus on designing, developing, and executing solutions for clients, whether they are facing immediate demands, increasing value, or protecting against risks. We create innovative strategies for the ever-changing business environment, giving clients unparalleled insight into economic, governance, and regulatory issues. Assembling the right expertise for each client and situation, we know that **collaboration drives results.**