Latham expands CFIUS practice amid Treasury eye on China

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Credit: Latham & Watkins

Latham & Watkins has recruited a top US Department of Treasury lawyer in Washington, DC, its fourth hire from the agency as the firm said its national security and foreign investment practice work has "exploded".

Cate Behles joined Latham as counsel in June after a seven-year stint as co-lead counsel for the Committee on Foreign Investment in the United States (CFIUS), where she led teams conducting transaction reviews, jurisdiction assessments and enforcement actions into major cross-border deals.

"CFIUS has evolved from a niche regulatory issue to a necessary component of cross-border dealmaking considerations, and that necessity is part of what makes the field so compelling," Behles told GCR.

Behles joins former Treasury colleagues who have moved to Latham during the Trump Administration, including Biden Administration assistant secretary Paul Rosen and

CFIUS attorneys Adam Schupack and Stephen Keith.

Latham plans to continue its CFIUS and national security growth, said partner Jim Barker.

"CFIUS is now embedded as a feature of cross-border deals," Barker said. "Because of the importance of the practice, getting more folks in here with premier expertise has been a priority."

"These geopolitical and national security issues aren't going away, and our goal is to remain at the top," he continued.

Barker said CFIUS used to be a "sleepy practice", but an ever-growing list of industries under the spotlight and complex international relations have encouraged law firms to tap into the demand.

The amount of cross-border deals has increased in step with the purview of CFIUS and its enforcement capabilities, he said. While the review used to focus on infrastructure mergers, high-tech sectors like artificial intelligence, semiconductors and quantum computing are front and centre today, Barker said.

CFIUS reviews are a largely secretive process run through the Treasury and other agencies, but in annual reports the government discloses key enforcement statistics. Based on the **2025 report**, CFIUS is seeing a rebound in enforcement activity for non-notified transactions as well as continued focus on tech sector deals and acquisitions by US allies.

The US Department of Agriculture has become **directly involved** in CFIUS reviews in recent years, as the Trump Administration rails against meatpackers based outside of the US.

CFIUS has also upped its scrutiny on investments from Chinese companies under both the Biden and Trump presidencies.

President Donald Trump **signed** a divestment order in 2025, calling on China-based Suirui Group to sell Jupiter Systems and its US assets. CFIUS said the company's products posed national security risks as they are used in military and critical infrastructure environments.

After Suirui failed to meet the deadline, the US Department of Justice **sued** to enforce the president's order.

In January, the White House also **blocked** HieFo, which is incorporated in Delaware, from purchasing Emcore's semiconductor technology, on the grounds HieFo is "controlled" by a Chinese citizen.

The Biden and Trump administrations have been aligned in “tough on China” rhetoric and actions in foreign investment matters, Barker said.

Damara Chambers, co-head of Latham’s CFIUS and national security practice, said there is an “ebb and flow” between administrations in CFIUS work and the sectors that face the most attention.

Under the previous president, CFIUS focused heavily on foreign investors acquiring access to sensitive, personal data, Chambers said. The current administration is ramping up its scrutiny of defence deals, including from international private equity firms, she added.

But focus on Chinese company investments is staying consistent, Chambers agreed.

“You could describe it as sort of a one-way ratchet, and it's only going up,” Chambers said.

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