

Corporate Need for Legal Guidance on Global Trade Rises With Increased CFIUS and OFAC Oversight

Lowenstein Sandler's Global Trade & Policy group adds to its ranks Christian C. Contardo, who joins the firm's Washington, D.C., office after over a decade of experience in federal agencies such as Treasury, the Department of Homeland Security, and Immigration and Customs Enforcement. Christian most recently served as Attorney Advisor in various Treasury offices, including the Office of Foreign Assets Control (OFAC), where he counseled on economic sanctions, Committee on Foreign Investment in the United States (CFIUS) matters, counterintelligence/insider threat programs, anti-money laundering, security clearance investigations, information security, and data privacy.

Why it matters:

The United States is both the largest recipient of foreign direct investment and the world's largest investor in overseas businesses. In the last few years, the Treasury Department and the Department of Justice have responded to this trend by strengthening their enforcement teams and announcing more stringent compliance best practices. CFIUS has dramatically increased its review of deals involving both foreign investment and foreign investors, with a growing number of transactions at risk of being suspended or blocked.

As government scrutiny of global transactions rises, tech startups, private equity firms, hedge funds, C-suite executives, and other stakeholders engaged in international business must comply with ever-tougher CFIUS and OFAC regulations to avoid potentially devastating impacts on their

investments and operations abroad. They need guidance in order to navigate the complex world of sanctions, tariffs, and investment restrictions under the Treasury Department's evolving regulatory regime.

What:

Lowenstein Sandler's Global Trade & Policy practice is expanding to meet this burgeoning need. In 2019 alone, Lowenstein completed over 500 venture-backed deals involving some of today's most innovative companies. Its private equity and M&A teams handled a record-breaking number of deals, including numerous large-scale cross-border matters worth billions of dollars both for strategic acquirers and investment funds.

The firm's global trade lawyers support these transactions by ensuring that clients and portfolio companies understand tariff engineering, country of origin requirements, OFAC sanctions, export restrictions, and CFIUS to minimize risks and maximize current and future profits. They help them to implement consistent and forward-thinking compliance programs and to anticipate supply chain issues and foreign investment requirements so that clients can plan for the future.

How:

The firm's ranks are growing with experienced professionals deeply immersed in the ever-changing policies and laws governing CFIUS foreign investment national security reviews, OFAC economic sanctions, export and import transactions, cyber security, and data privacy. Doreen M. Edelman, chair of the firm's Global Trade & Policy practice, says, "Our corporate lawyers understand that clients need this expertise to initially analyze a proposed transaction. National security concerns can actually cause an entire transaction to unravel. And national security now includes technology companies and those with access to personal data. We need more lawyers to advise not only our venture clients, but also our hedge fund and private equity companies. CFIUS alone is becoming a

routine pre-deal concern.”