



Thomas Feddo
Assistant Secretary for Investment Security
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

17 October 2019

Dear Mr Feddo,

The British Private Equity and Venture Capital Association (“BVCA”) is the industry body for the private equity and venture capital industry in the UK. With a membership of over 750 firms, the BVCA represents the vast majority of all UK-based private equity and venture capital firms, as well as their investors and professional advisers. Between 2016 and 2018, our members invested £7.8bn into US companies¹. This makes the US one of the biggest single foreign destinations for capital managed by UK-based private equity and venture capital firms.

It is with this important economic relationship in mind that we are writing to you regarding the proposed Committee on Foreign Investment in the United States (CFIUS) regulations implementing the Foreign Investment Risk Review Modernization Act of 2018.

We welcome the proposal for a ‘excepted investor’ process to exempt certain investors associated with excepted foreign states from the expanded jurisdiction of CFIUS. The designation of the UK as an excepted foreign state would lay the foundations for US companies to benefit from ongoing easy access to capital provided by UK-domiciled corporate venture capital firms and private equity and venture capital funds managed or advised by FCA-regulated firms.

It is clear that the UK is a close economic and security ally of the US, as demonstrated by the two countries’ mutual membership of NATO, which is just one of many economic or security focussed international fora in which both countries have long co-operated, in the process developing an effective relationship of mutual trust, based on shared interests.

One such shared interest is the effective countering of shared threats to national security from hostile actors. The UK Government’s keen perception of such threats has led to it make a number of interventions in corporate transactions involving foreign investors into the UK on national security grounds under the public interest provisions of the UK’s Enterprise Act 2002. This demonstrates that the UK has established and is effectively using a robust process to assess foreign investments for national security risks, for the purposes of Treasury assessment of whether the UK should be added to the proposed white list.

We remain at your disposal, should you require further evidence in support of the above.

Your sincerely,

A handwritten signature in black ink that reads 'Gurpreet Manku' with a horizontal line underneath.

Gurpreet Manku
Deputy Director General and Director of Policy, BVCA

¹ <https://www.bvca.co.uk/Portals/0/Documents/Research/Industry%20Activity/BVCA-RIA-2018.pdf>