

CFIUS Blocks Magnachip Semiconductor Deal

DECEMBER 15, 2021

As predicted, and addressed in a previous [client alert](#), Chinese private equity (PE) firm Wise Road Capital and U.S.-based Magnachip Semiconductor Corp. (Magnachip) [terminated their billion dollar deal](#) after failing to receive approval from the Committee on Foreign Investment in the United States (CFIUS). As referenced in Magnachip's [August 27, 2021 SEC filing](#), CFIUS indicated at that time that it "has not identified any mitigation measures, including those proposed jointly by [the parties], that CFIUS believes would adequately mitigate the identified risks." Despite receiving approval from CFIUS to withdraw and refile the transaction on September 13, 2021, it appears that the parties subsequent filings and responses to inquiries were still insufficient to demonstrate adequate measures to mitigate the risks to national security identified back in June, when CFIUS first ordered the deal to be put on hold. As a result of the termination of the agreement, Magnachip will receive \$70.2 million, [of which \\$19.2 million will be deferred up to March 31, 2022](#).

1 Min Read

Author

[J. Tyler McGaughey](#)

Related Locations

Chicago

Washington, DC

Related Topics

CFIUS

Semiconductor

Related Capabilities

International Trade

Related Regions

North America

Related Professionals



J. Tyler McGaughey

This entry has been created for information and planning purposes. It is not intended to be, nor should it be substituted for, legal advice, which turns on specific facts.