



DEPARTMENT OF THE TREASURY

Office of Investment Security

Notice on Penalty Inflation Adjustments for Civil Monetary Penalties for Violations of Provisions Pertaining to U.S. Investments in Certain National Security Technologies and Products in Countries of Concern

AGENCY: Office of Investment Security, Department of the Treasury.

ACTION: Notice announcing penalty inflation adjustments for civil monetary penalties for 2025.

SUMMARY: The Department of the Treasury’s Office of Investment Security is giving notice of its updated maximum civil monetary penalties in connection with the Outbound Investment Security Program. These amounts are effective through January 14, 2026. These figures represent an annual adjustment for inflation. The updated figures and notification are required by the Federal Civil Penalties Inflation Adjustment Act of 1990, as amended by the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015.

FOR FURTHER INFORMATION CONTACT: Meena R. Sharma, Director, Office of Investment Security Policy and International Relations, at U.S. Department of the Treasury, 1500 Pennsylvania Avenue NW, Washington, DC 20220; telephone: (202) 622-3425; email:

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SUPPLEMENTARY INFORMATION:

Background

On August 9, 2023, the President issued Executive Order 14105 (88 FR 54867), “Addressing United States Investments in Certain National Security Technologies and Products in Countries of Concern” (the Outbound Order), pursuant to his authority under the Constitution and the laws of the United States, including the International Emergency Economic Powers Act (IEEPA), the National Emergencies Act, and section 301 of title 3, United States Code (U.S.C.).

Under section 10(a) of the Outbound Order, the President authorizes the Secretary of the Treasury to promulgate rules and regulations and requires the Secretary to investigate, in consultation with the heads of relevant agencies, as appropriate, violations of the Outbound Order or the regulations and pursue available civil penalties for such violations. On October 28, 2024, the Treasury Department issued a final rule (89 FR 90398, November 15, 2024) (Final Rule) with the regulations implementing the Outbound Order.

Under § 850.701 of the Final Rule, the Treasury Department may impose a civil monetary penalty on any person that violates the Final Rule. The Federal Civil Penalties Inflation Adjustment Act of 1990, as amended (Pub. L. 101–410, 104 Stat. 890; 28 U.S.C. 2461 note) (the FCPIA Act), requires annual adjustment of this civil monetary penalty, as well as publication in the *Federal Register* of the adjusted penalty amount. As of the date of issuance of the Final Rule, the current maximum civil penalty under IEEPA was an amount not to exceed the greater of an amount that is twice the amount of the transaction that is the basis of the violation with respect to which the penalty is imposed or \$368,136.

The method of calculating civil penalty adjustments applied in this notice is required by the FCPIA Act. Under the FCPIA Act and the Office of Management and Budget (OMB) guidance required by the FCPIA Act, annual inflation adjustments subsequent to the initial catch-up adjustment are to be based on the percent change between the Consumer Price Index for all Urban Consumers (CPI–U) for the October preceding the date of the adjustment and the prior year’s October CPI–U. As set forth in OMB Memorandum M-25-02 of December 17, 2024, the adjustment multiplier for 2025 is 1.02598. In order to complete the 2025 annual adjustment, each current maximum civil penalty is multiplied by the 2025 adjustment multiplier. Under the FCPIA Act, any increase in the maximum civil penalty must be rounded to the nearest multiple of \$1.

The Treasury Department imposes civil penalties for violations of the Final Rule pursuant to the penalty authority in IEEPA. The adjustment results in the following new maximum civil penalties:

\$368,136 (current maximum per violation) x 1.02598 (OMB-issued inflationary adjustment multiplier) = \$377,700.17; or an amount that is twice the amount of the transaction that is the basis of the violation with respect to which the penalty is imposed. When rounded to the nearest dollar, the new maximum penalty is \$377,700, or an amount that is twice the amount of the transaction that is the basis of the violation with respect to which the penalty is imposed.

Andrew Fair,

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[FR Doc. 2025-01633 Filed: 1/28/2025 8:45 am; Publication Date: 1/29/2025]