

President Biden Issues Order Unwinding Chinese-Owned Cryptocurrency Mining Company Real Estate Acquisition

May 15, 2024

On May 13, 2024, President Biden issued an [Executive Order](#) prohibiting a transaction involving the acquisition by a cryptocurrency mining company ultimately owned by Chinese nationals of real estate within one mile of the Francis E. Warren Air Force Base in Cheyenne, Wyoming. CFIUS found that the acquisition raised national security risks due to the proximity of the acquired property to the air force base—“a strategic missile base and key element of America’s nuclear triad”—as well as the potential for certain equipment on the property to be used for purposes of “surveillance and espionage.” The acquiring entities—which include MineOne Partners Limited, a British Virgin Islands company ultimately owned by Chinese nationals, and three related entities—have been ordered to remove all equipment and improvements within 90 days of the order date and to divest the purchased real estate within 120 days of the order date.

The Order is the latest indicator of the administration’s [ongoing sensitivity to national security concerns relating to investments and acquisitions by Chinese nationals](#), and follows the contested [passage of a National Security Law](#) effectively forcing the divestment of TikTok by Chinese-owned ByteDance, Ltd. The decision further demonstrates CFIUS’s continued focus on non-notified transactions: the transaction subject to the Executive Order had closed in June 2022, without the parties making a filing to CFIUS. CFIUS later initiated an investigation of the transaction as a result of a public tip, following which, the parties made a filing which led to the Order. As CFIUS continues to exercise its authority to review and investigate non-notified transactions, parties should take care to assess the potential for CFIUS jurisdiction and possible national security risks early in the transaction process given CFIUS’ authority to mitigate such risks and the ultimate remedy of a presidential order requiring divestment.

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Please do not hesitate to contact us with any questions.



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