

Varian/Siemens prep CFIUS filing, unusual merger provisions suggest buyer's uncertainty

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London Office Managing Partner Reid Whitten comments on Siemens Healthineers' planned acquisition of Varian Medical Systems should it receive CFIUS approval. Whitten commented, "... he does not expect that medical technology would be problematic for CFIUS as long as it is not a proprietary 'secret sauce' that would be a substantial threat to US national security if it were acquired." The merger deal also includes two unique conditions; an arranged meeting with CFIUS and a two-tier reverse termination fee for Siemens in the case that CFIUS or another agency blocks it. Whitten noted that the conditions are, "rather specific but speak to the increasing sophistication of the CFIUS bar and their early involvement in deals," and that, "With the size and value of this deal, there is a possibility that it will get noticed." Whitten also acknowledged that foreign investments have become a politicized concern, with the Trump administration's push, and recent executive orders, prioritizing American produced goods and technologies and that this is "a very real concern" for foreign investors.

Practice Areas

CFIUS: Foreign Investment in the U.S.