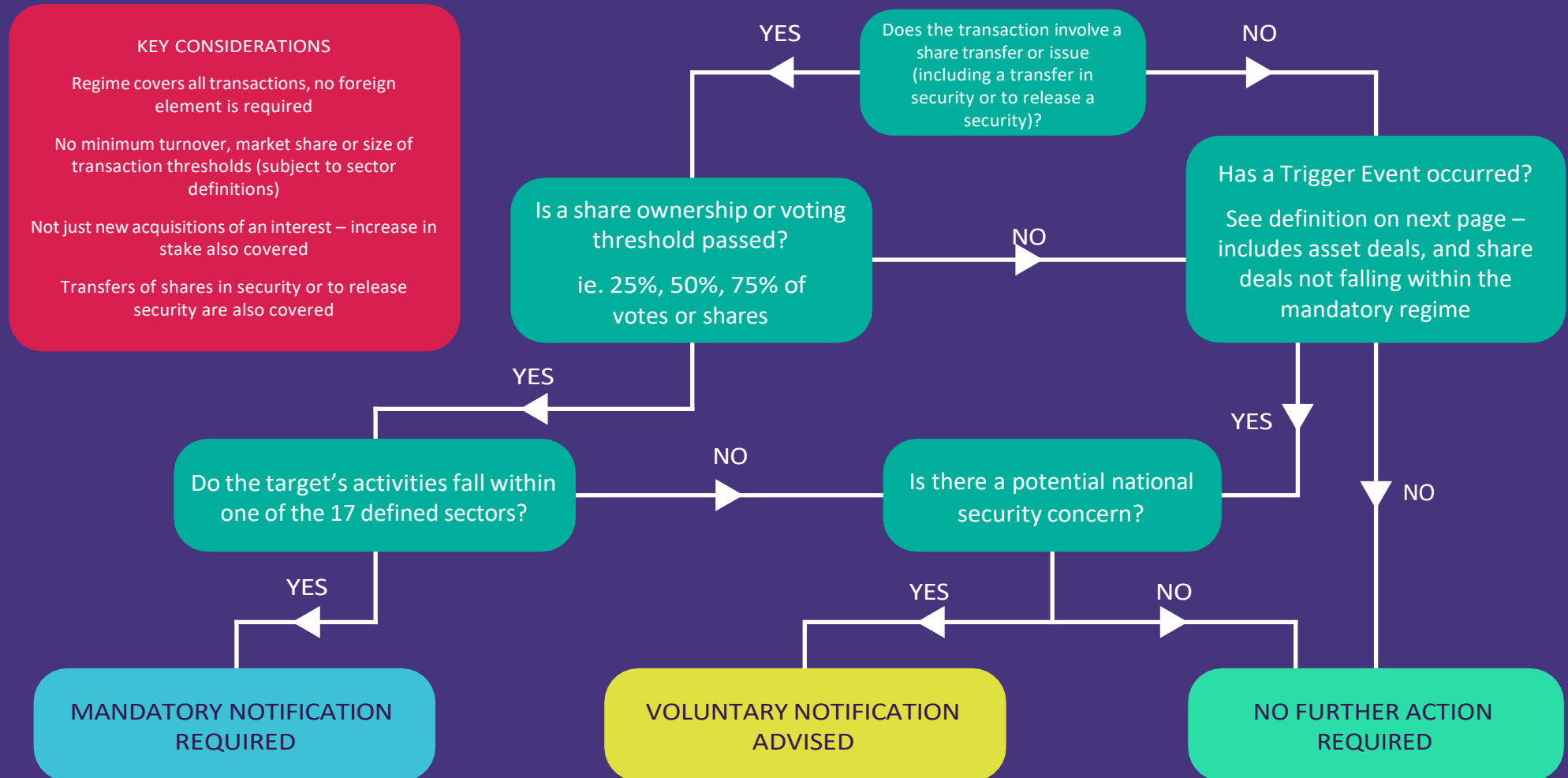


# National Security and Investment Act – Determination of Applicable Regime



This chart has been prepared based on the Act as at March 2023, and may be superseded by subsequent amendments. It is necessarily simplified given the scope of the legislation, and therefore more detailed consideration may be required as to the application of the rules particularly in more complex scenarios

## MANDATORY NOTIFICATION REQUIRED

M&A within 17 defined sectors

### DEFINED SECTORS

- advanced materials
- advanced robotics
- artificial intelligence
- civil nuclear
- communications
- computing hardware
- critical suppliers to the Government
- critical suppliers to the Emergency Services
- cryptographic authentication
- data infrastructure
- defence
- energy
- military and dual-use technologies
- quantum technologies
- satellite and space technologies
- synthetic biology
- transport

[Click here for the scope of each sector.](#)

## VOLUNTARY REGIME

### “TRIGGER EVENTS”

- Acquisition of votes or shares in an entity exceeding 25%, 50% or 75%;
- Acquisition of voting rights by which resolutions can be passed or blocked;
- Acquisition of material influence over an entity’s policy;
- Acquisition of right or interest in an asset providing an ability to:
  - use the asset (or use it to a greater extent than prior to the acquisition); or
  - direct or control how the asset is used, or direct or control how the asset is used to a greater extent than prior to the acquisition.

Failure to notify where mandatory notification required can lead to:

- Transaction being null and void
- Criminal sanctions
- Fines of higher of 5% of worldwide turnover and £10m

### TIMINGS

For both mandatory and voluntary notifications – 30 working days for determination as to whether transaction “called in”.

30 working days for called in transactions to determine whether any conditions to be imposed (may be extended by up to 45 working days if further investigation required).

Call-in power for non-cleared transactions: six months from the government becoming aware of the transaction, up to five years from completion for non-mandatory regime or indefinitely for mandatory regime.

### DOES A NATIONAL SECURITY RISK EXIST?

Broadly speaking, the Government will consider:

- a. the target risk – the nature of the target and whether it is in an area of the economy where the government considers risks more likely to arise;
- b. the trigger event risk – the type and level of control being acquired and how this could be used in practice; and
- c. the acquirer risk – the extent to which the acquirer raises national security concerns.

The Statement gives particular attention to transactions involving:

- Property;
- Energy;
- IP; and
- Ideas, information or techniques with industrial, commercial or other economic value.

The scope of the Act is wide and is not limited to these particular areas.