
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations make provision for the purposes of section 41 of the National Security and Investment Act 2021 (c. 25) (“the Act”), for determining when a business is to be treated as controlled by a business and for determining the turnover of a business.

Section 40 of the Act enables the Secretary of State to impose a monetary penalty on a person in respect of specified offences under the Act. Section 41 of the Act sets out the maximum monetary penalties that the Secretary of State may impose for different offences under the Act. Subsections (1) and (2) of section 41 provide for different maximum penalties for businesses and non-businesses. In relation to businesses, the maximum penalties are the higher of a specified amount or a percentage of the worldwide turnover of the business and of any businesses it owns or controls.

Regulation 2 provides that for the purposes of section 41 of the Act a business includes a sole trader. Regulation 3 makes provision for determining when a business is to be treated as controlled by another business. Regulation 4 and the Schedule make provision for determining the turnover (both in and outside the United Kingdom) of a business.

A full impact assessment has not been produced for this instrument as no, or no significant, impact on the private, voluntary or public sectors is foreseen.

Changes to legislation:

There are currently no known outstanding effects for the The National Security and Investment Act 2021 (Monetary Penalties) (Turnover of a Business) Regulations 2021.