
EXPLANATORY NOTE

(This note is not part of the Regulations)

Under section 6(2) of the National Security and Investments Act 2021 (“the Act”), a notifiable acquisition takes place when a person gains control of a qualifying entity of a specified description, by virtue of one or more of the cases described in section 8(2), (5) or (6) of the Act. These Regulations specify the descriptions of such qualifying entities.

Section 6(4) provides that a description of a qualifying entity that is specified must include provision that the entity carries on activities in the United Kingdom which are of a specified description and these Regulations specify the activities of the qualifying entities.

Regulation 2 provides that the description of a qualifying entity and the description of activities carried on in the United Kingdom by a qualifying entity are specified in Schedules 1 to 17.

Regulation 3 sets out the definition of terms used in these Regulations.

Regulation 4 requires the Secretary of State to carry out a review of the Regulations and publish a report setting out the conclusions of the review within three years of the Regulations coming into force. Subsequent reports must be published at intervals not exceeding three years.

Schedules 1 to 17 specify the description of qualifying entities and activities of a qualifying entity. Each Schedule describes entities and activities in particular sectors: advanced materials, advanced robotics, artificial intelligence, civil nuclear, communications, computing hardware, critical suppliers to government, cryptographic authentication, data infrastructure, defence, energy, military and dual-use, quantum technologies satellite and space technology, suppliers to emergency services, synthetic biology and transport.

Schedules 1 (Advanced materials), 7 (Critical suppliers to government) and 17 (Transport) refer to documents produced in digital form. Printed versions of the documents are available on request from the Department for Business, Energy and Industrial Strategy, 1 Victoria Street, London SW1H 0ET.

An impact assessment has not been produced for this instrument. An impact assessment was produced for the National Security Investment Bill which considered the impact of the national security and investment regime set out in the Act.