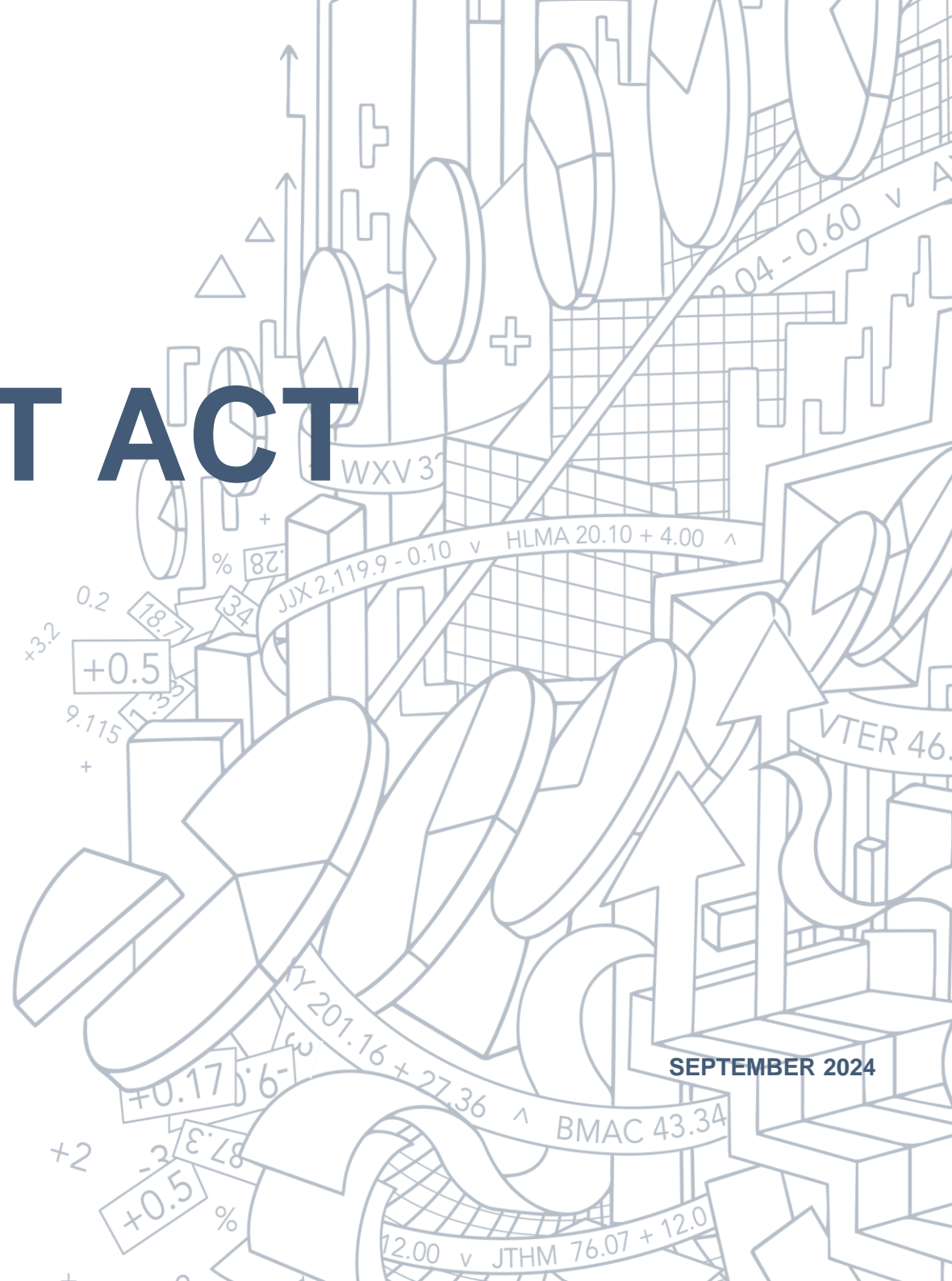


# NATIONAL SECURITY INVESTMENT ACT REGIME

Latest Trends

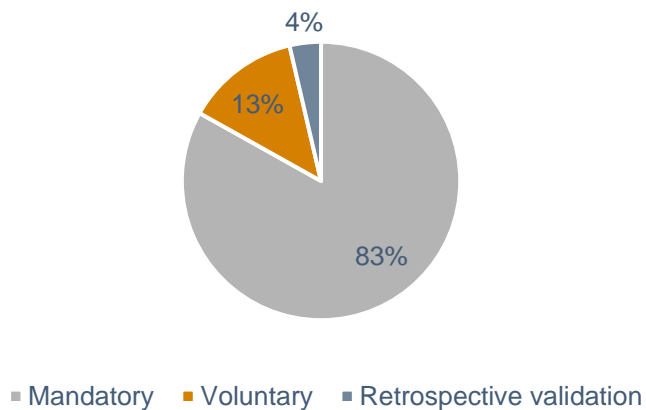


SEPTEMBER 2024

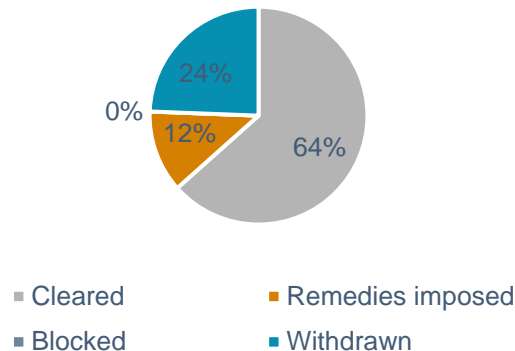
# THE NSIA PROCESS IS GETTING SMOOTHER BUT WATCH OUT FOR TIMELINES AND FUTURE ENFORCEMENT RISK

## FIRST TAKEAWAY

### NOTIFICATIONS SUBMITTED



### OUTCOME OF CALL-INS



# 95.6%

**OF NOTIFICATIONS REVIEWED CLEARED WITH A NO FURTHER ACTION NOTICE**

Up from 92.8% last year – vast majority of deals cleared within 30 working days

# 4.4%

**OF NOTIFICATIONS RECEIVED ARE CALLED IN FOR DETAILED ASSESSMENT**

37 call-in notices arising from notifications versus 65 last year

## TIMELINES AND FUTURE ENFORCEMENT RISK



ISU taking longer to confirm acceptance or rejection of notification: **6-8 average median working days for acceptances** (versus 4 last year) and **13-15 for rejections**



Frequent use of “**stop the clock**” powers when further information requested, as well as **extensions** to the statutory timelines – though **overall, reduction of average review period** versus last year



**4 unnotified transactions called in** – identified via active market monitoring



No fines yet imposed but **34 identified offences** of completing a notifiable transaction

# 5 + 10

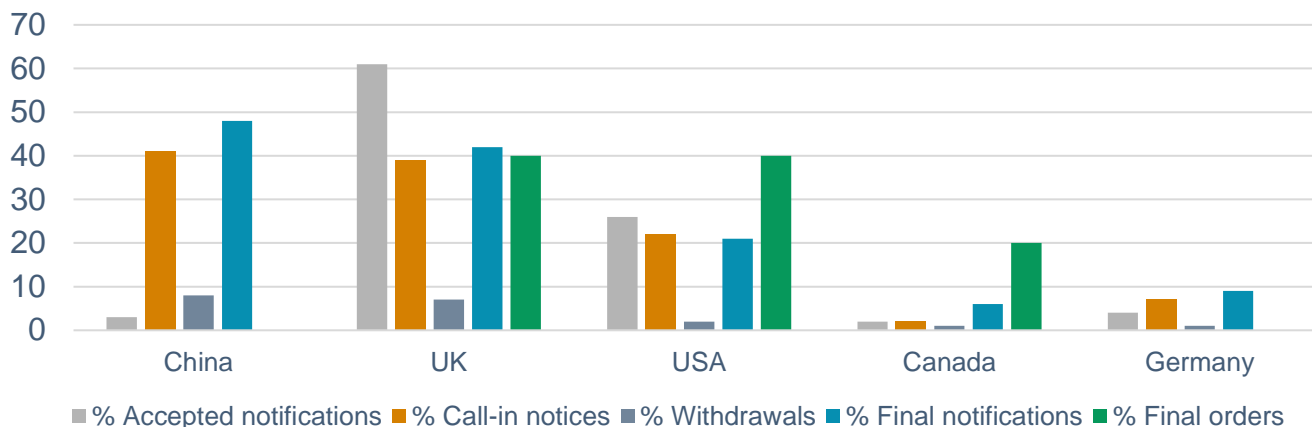
**5 FINAL ORDERS RESULTING IN REMEDIES AND 10 WITHDRAWALS**

Final orders number down from 15 last year, but note that 10 transactions were also withdrawn by the parties once detailed assessment suggesting the imposition of drastic remedies

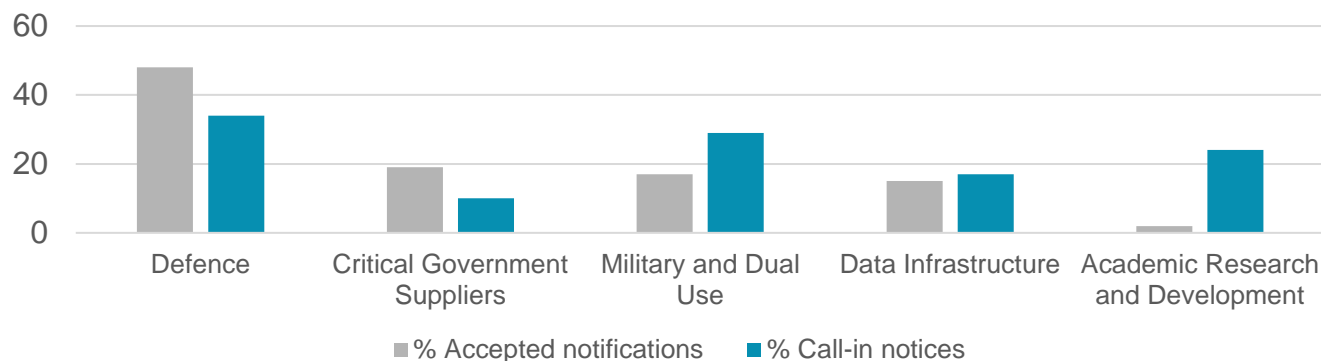
# BROADLY SIMILAR GEOGRAPHIC AND SECTORAL FOCUS AREAS

## SECOND TAKEAWAY

ASSOCIATED ORIGIN OF INVESTMENT



AREA OF THE ECONOMY



# CHINA

**STILL ACCOUNTS FOR THE HIGHEST NUMBER OF DETAILED NSIA INTERVENTIONS AND ASSESSMENTS**

This is despite accounting for a low percentage of accepted notifications in the first instance (3%)



**UK AND “FRIENDLY STATE” INVESTORS BEWARE**

Significant scrutiny of UK transactions as part of this regime and no list of safe origins of investment

# 24%

**OF CALL-IN NOTICES INVOLVED THE NON-SENSITIVE SECTOR OF ACADEMIC RESEARCH AND DEVELOPMENT IN HIGHER EDUCATION**

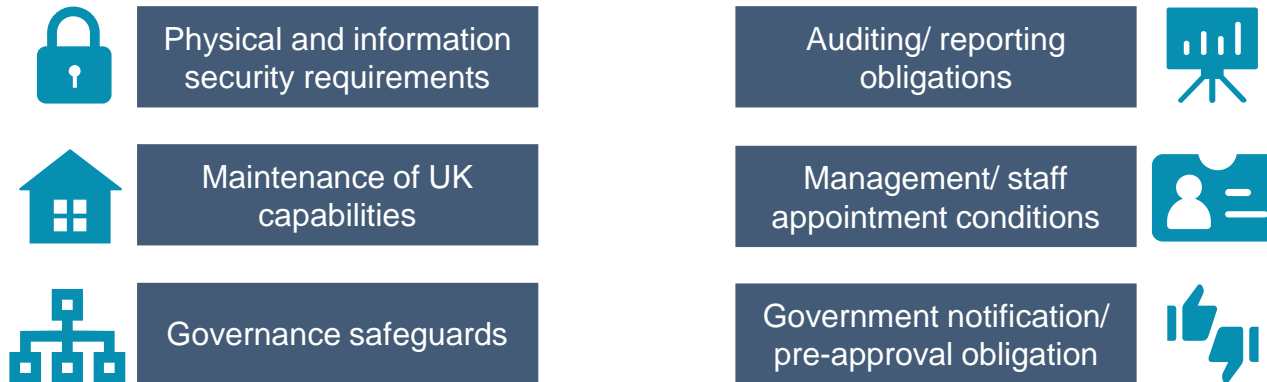
Versus 11% last year – targeted sectors otherwise remained broadly the same

Sources: [September 2024 NSIA Report](#) (covering the period from 1 April 2023 to 31 March 2024); [July 2023 NSIA Report](#) (covering the period from 1 April 2022 to 31 March 2023)

# BROADLY SIMILAR TYPES OF REMEDIES USED, BUT NOTE RECENT TAILORED REMEDY

## THIRD TAKEAWAY

### MOST COMMON TYPES OF REMEDIES IMPOSED



ENERGY AND UTILITIES ARE THE MOST TARGETED INDUSTRY SECTORS FOR THE IMPOSITION OF REMEDIES

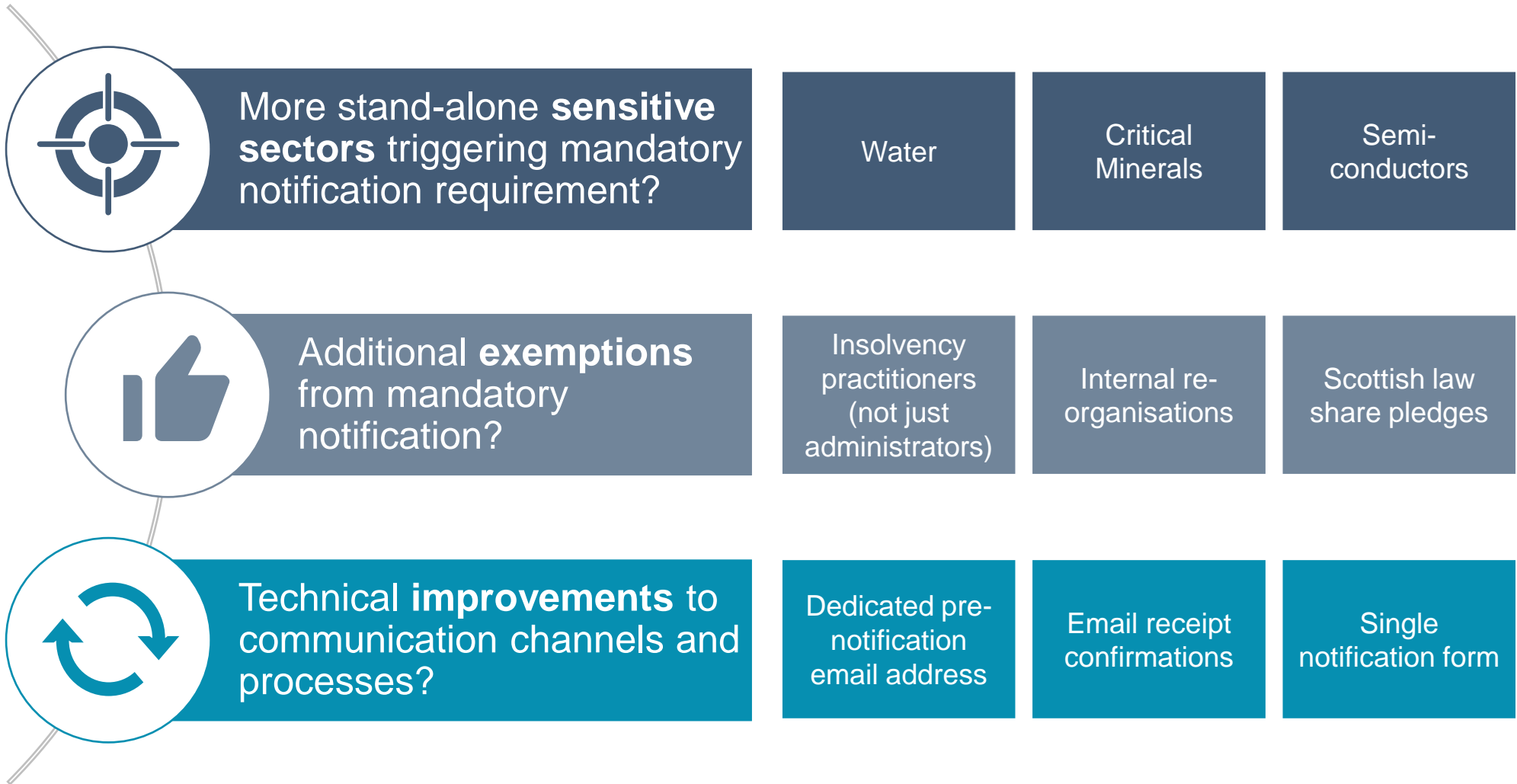
Particularly where they are part of the UK's Critical National Infrastructure

### NEW TAILORED REMEDY IMPOSED IN *GEAST UK LTD/ GE OIL & GAS MARINE & INDUSTRIAL UK LTD AND GE STEAM POWER LTD*



**Targeted Government “step in rights”**  
to secure the fulfilment of critical Ministry of Defence programmes if serious breach of the final order takes place

# WHAT NEXT? UNCERTAINTY OVER FUTURE REFORMS TO THE NSIA REGIME SINCE GOVERNMENT CHANGE



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