

# Further guidance to help businesses understand their obligations under new laws to strengthen national security

On 4 January 2022, the National Security and Investment (NSI) Act – the biggest shake-up in 20 years of the UK's system for screening investments for risks to national security – will come into full force across the UK.

Today (Monday 15 November 2021), further guidance to help businesses understand their legal duties under the NSI Act has been published.

From 4 January 2022, the government will be able to scrutinise and intervene in certain acquisitions made by anyone, including businesses and investors, that could harm the UK's national security.

The government will be able to impose certain conditions on an acquisition or, if necessary, unwind or block it – although the government expects to do this rarely and the vast majority of deals will be able to proceed without delay.

Businesses and investors are encouraged to get ready for the changes and the guidance published today will help to ensure a smooth transition to the new rules. The guidance helps businesses and investors to:

- assess whether the government must be notified of an acquisition. Mandatory notification will apply across 17 sensitive areas of the economy, including Artificial Intelligence and Civil Nuclear
- understand what to expect when they submit a notification form and go through the NSI notification and assessment process. This includes information on what parties can expect while their acquisition is being considered, such as requests for further information and when to expect final decisions on clearance

Business Minister Lord Callanan said:

The UK is world-renowned as an attractive place to invest, however we will not hesitate to intervene where necessary to protect our national security.

The new investment screening process will be simpler and quicker, giving investors and firms the certainty they need to do business, and I urge them to make sure they are ready for the changes before they come into force in January.

Today, the government has also laid 2 pieces of secondary legislation. These are:

- the Procedure for Service Statutory Instrument, which sets out how the government sends and receives documents under the Act
- the Form and Content of Notification Forms Statutory Instrument, which sets out what information is required in the notification forms parties can submit to the government under the Act.

Today's publication builds on guidance issued in July. That guidance covered:

- an overview of the Act;
- how the Act could affect people or acquisitions outside the UK
- how the Act works with other regulatory requirements
- information for the higher education and research sectors

On 2 November, the Secretary of State [published a statement](#) on how he expects to exercise the power to call in acquisitions under the NSI Act (the 'Section 3 Statement'). This statement sets out the risk factors that he will take into account when making a decision about calling in an acquisition, and the areas of the economy where a call-in is most likely to take place.

This statement was consulted on in the summer. Businesses and investors can use the statement to assess whether their acquisition may be within scope of the call-in power.

The 17 sensitive areas of the economy are:

- 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 Technologies
- Suppliers to the Emergency Services
- Synthetic Biology
- Transport