



Department for  
International Trade



Department for  
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& Industrial Strategy

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15 March 2021

Dear Chris,

### **Qualifying entities and assets in the National Security and Investment Bill**

Thank you for your contributions to the debate on 9 March in Grand Committee of the National Security and Investment Bill. You raised a number of important questions around the extraterritorial application of Clause 7 of the Bill and so I wanted to write to set out the Government's position.

I would first note that any extraterritorial use of the powers under this Bill must be proportionate, meeting the clear UK nexus requirements set out in the Bill. In addition, remedies may only be imposed at the end of an assessment if the Secretary of State reasonably considers that they are necessary and proportionate for the purpose of safeguarding the UK's national security.

You raised the control of land and how this could affect its treatment under the Bill. As specified in subsection 6 of Clause 7, land situated outside the UK or the territorial sea is a qualifying asset if it is used in connection with activities carried on in the United Kingdom or the supply of goods or services to persons in the United Kingdom. As such, for the purpose of determining whether a piece of land is a qualifying asset, what matters under the Bill is whether the land is used in those ways, not who is using it in those ways or who owns or controls it.

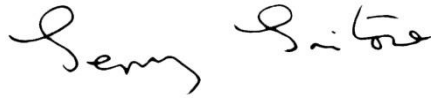
You also asked whether land in a particular country could be considered a threat to national security. If the land is a qualifying asset and a trigger event takes place, the Secretary of State would need to consider any risks to national security on a case-by-case basis. Land, however, is for the most part only expected to be an asset of national security interest where it is, or is proximate to, a sensitive site, such as UK critical national infrastructure or government buildings. As such, acquisitions of land in general, as with any asset, have a very low likelihood of being called-in, and acquisitions of land overseas face a particularly low likelihood.

Finally, you first asked whether I could provide details of previous cases in which there were national security implications relating to foreign suppliers of goods and services to persons in the United Kingdom. I am afraid I am not able to comment on any such cases, but I would instead refer you back to the hypothetical examples I provided during Grand Committee.

I hope you have found this further information useful, and I look forward to further debates in the remaining stages of this Bill's passage through the House.

I am placing a copy of this letter in the Libraries of the House.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Grimstone". The signature is written in a cursive style with a large initial 'G' and a long, sweeping tail.

**Lord Grimstone of Boscobel, Kt**  
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