



Department for
International Trade



Department for
Business, Energy
& Industrial Strategy

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20 April 2021

Dear Baroness Neville-Rolfe,
Dear Lord Lansley,
Dear Lord Leigh of Hurley,

Thank you for contributions to Lords Report stage of the National Security and Investment Bill on 15th April. You raised three points around the provision of guidance, on which I committed to write to set out the Government's position.

Firstly, Baroness Neville-Rolfe asked a question regarding whether timelines, and the regime's modus operandi will be provided in our guidance. As detailed in the note to Peers on 13th April, the Government has committed to provide comprehensive guidance which will set out clearly how the regime will operate and assist interested parties in understanding and meeting the requirements of the regime. This will include making clear the timelines that are specified in the Bill. During the debate, Lord Callanan made reference to the Constitution 2018 report from the Constitution Committee titled The Legislative Process: The Delegation of Powers, which stated that "Guidance is not legislation and should not be treated as such." As such, the Government does not therefore intend to amend or augment the timelines in this Bill through guidance, as I understand Baroness Neville-Rolfe is suggesting. I can however instead assure you that great efforts will be expended through communications to ensure that the timing requirements are well understood.

Secondly, Lord Lansley asked how non-exclusive licensing of technology in the Higher Education sector would be treated in the Bill. I can confirm that the guidance we are producing will clearly set out when such arrangements will be in scope of the regime, but call-in decisions will be made on a case-by-case basis.

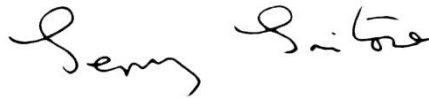
Thirdly, Lord Leigh asked about the content of the Market Guidance notes which we have committed to provide following commencement of the regime, and periodically thereafter. Such market guidance notes will aid and ease compliance with the regime, while also taking account of those who wish to seek a commercial advantage. They will draw on analysis of notifications received over time, as well as market monitoring intelligence. If we find notifications are being submitted purely for tactical reasons, as Lord Leigh indicated, we will consider issuing market guidance to reiterate that this practice is inappropriate.

Sellers will remain free to seek informal guidance from the Investment Security Unit as to whether acquisitions are likely to be called in, and the Statement published under Clause 3, will provide further detail as to how to take account of acquirer risk when an acquisition is under contemplation. The Government remains entirely open to adding further to what is covered through market guidance, subject to any legal or other constraints which might apply. All other practical issues which would aid parties in complying with the regime we intend to cover through our wider guidance notes.

As outlined during Report Stage, all guidance documents will be tested thoroughly with the Expert Panel, consisting of a cross section of interested parties including business representative organisations, higher education bodies, investment associations and others, to ensure that our guidance is as comprehensive and helpful as possible.

I hope you have found this further information useful. 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', written in a cursive style.

Lord Grimstone of Boscobel, Kt
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