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# *U.K. Investment Screening Powers Under Review*

By [Jade-Alexandra Fearn](#)

## Summary

On 13 November 2023, the U.K.'s Deputy Prime Minister, Oliver Dowden, announced a [Call for Evidence](#) in relation to the current construct and application of the U.K.'s existing national security powers contained in the National Security and Investment Act 2021 ("NSIA"). According to the U.K. Government, the purpose of this review process is to ensure the U.K.'s investment screening powers are proportionate and transparent, while protecting real national security concerns.

## Call for Evidence

The Call for Evidence will be open for nine weeks and will close on 15 January 2024. Respondents are required to complete an [online survey](#) to submit their responses and comments. During the review period, the Government expects to receive feedback from a variety of domestic and international stakeholders about the NSIA framework and application. In turn, it is understood that the responses will contribute to an internal review of the U.K. Government's investment screening powers. No timetabling has been announced with respect to the implementation of any changes to the NSIA process. However, it is expected that any changes will seek to ensure only deals that warrant consideration on U.K. national security grounds require notification; that the notification and assessment process will minimise the administrative burden imposed on businesses (while ensuring the Government receives all necessary information to undertake its review); and that the Government will update all relevant guidance to ensure businesses understand the correct context and application of the NSIA.

## Impact on NSIA Process

In many cases, the NSIA notification process is relatively straightforward and parties receive relevant approval from the Investment Screening Unit ("ISU") within the prescribed 30 working day time limit. However, for certain transactions, including internal restructuring transactions or transactions involving relatively complex external structuring, the NSIA process can be convoluted and involve various iterations of the mandatory notification document being submitted before the ISU confirms receipt and starts the 30 working day review period. This back and forth with the ISU—undertaken by way of written correspondence only—can place significant burdens and timing implications on parties and transactions, which is especially frustrating for parties and businesses active in sectors which have relatively low exposure to U.K. national security issues. It is expected that any changes to the NSIA process following the Call for Evidence will help alleviate burdens on notifying parties while ensuring the U.K. Government undertakes proper and proportionate reviews on national security grounds.

**About Paul Hastings**

The Paul Hastings team have extensive U.K. and international experience in relation to national security reviews.



*If you have any questions concerning the Call for Evidence, please do not hesitate to contact the following Paul Hastings London lawyer:*

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