

# National Security & Investment Act

3<sup>rd</sup> Annual Report (2023/4)

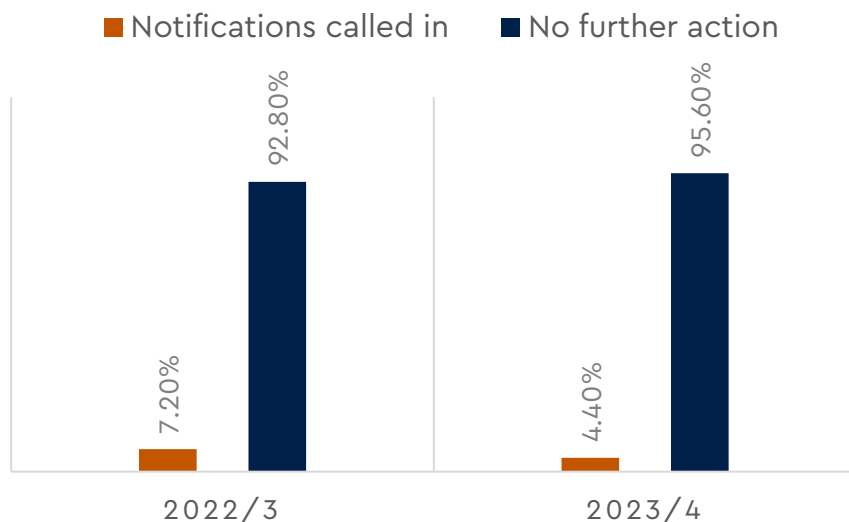


# Notifications and outcomes

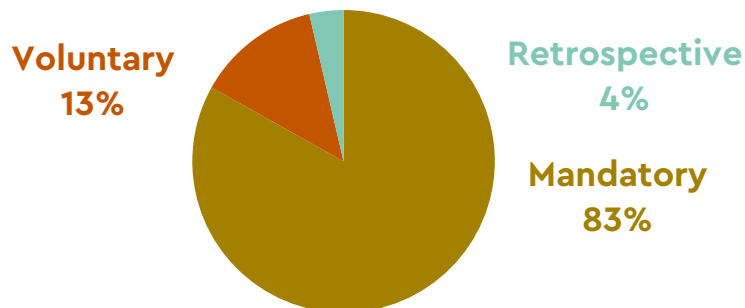


- ✓ 876 notifications were accepted (an **increase** from 806)
- ✗ 24 notifications were rejected (a **decrease** from 42 in the previous reporting period)\*

The Government reviewed 847 notifications



## NOTIFICATIONS RECEIVED



Comprising 728 mandatory notifications, 116 voluntary notifications and 32 retrospective validation applications

- 37 notified acquisitions and 4 non-notified acquisitions (total = 41) were issued with a **call-in** notice  
A **decrease** from 65 in the previous reporting period
- The Government issued 33 final **'no action' notifications** (including 10 withdrawn notifications) and 5 **final orders** (and varied 2 other final orders)  
A decrease from the 57 'no action' notifications and 15 final orders during the previous reporting period
- There were 10 instances where parties **withdrew** from a called in acquisition, a slight decrease from 11 in the previous reporting period

\* Notifications may be rejected due to the wrong notification having been made (mandatory vs. voluntary), duplication or insufficient information provided

# Sectors

## 48%

**Defence** = the highest proportion of all accepted and rejected **notifications** (48%)

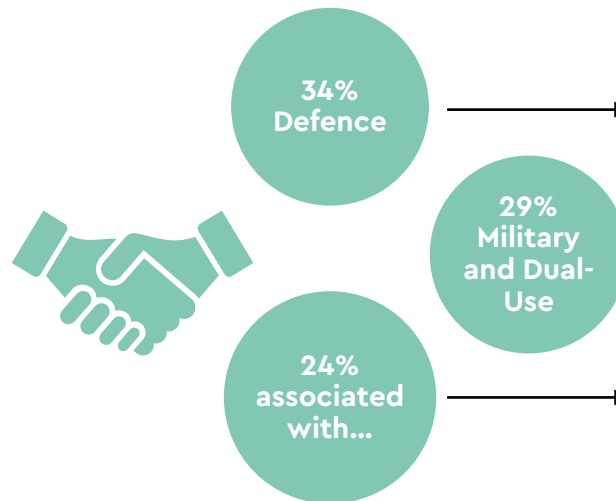
Followed by **Critical Suppliers to Government** (19%) and **Military and Dual-Use** (17%)

## 30%

**Defence** = highest proportion of '**no action**' notifications (30%)

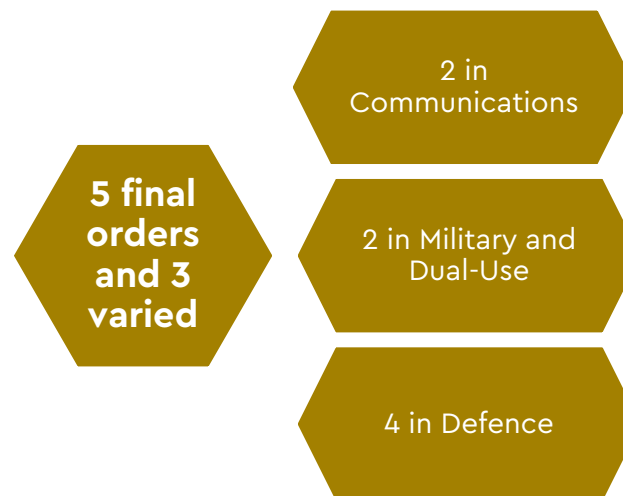
Followed by **Academic Research and Development in Higher Education**, **Advanced Materials** and **Military and Dual-Use** (24%)

Of the 41 deals called in:



For comparison, the highest proportion of call-in notices issued during the previous reporting period related to Military and Dual-Use (37%)

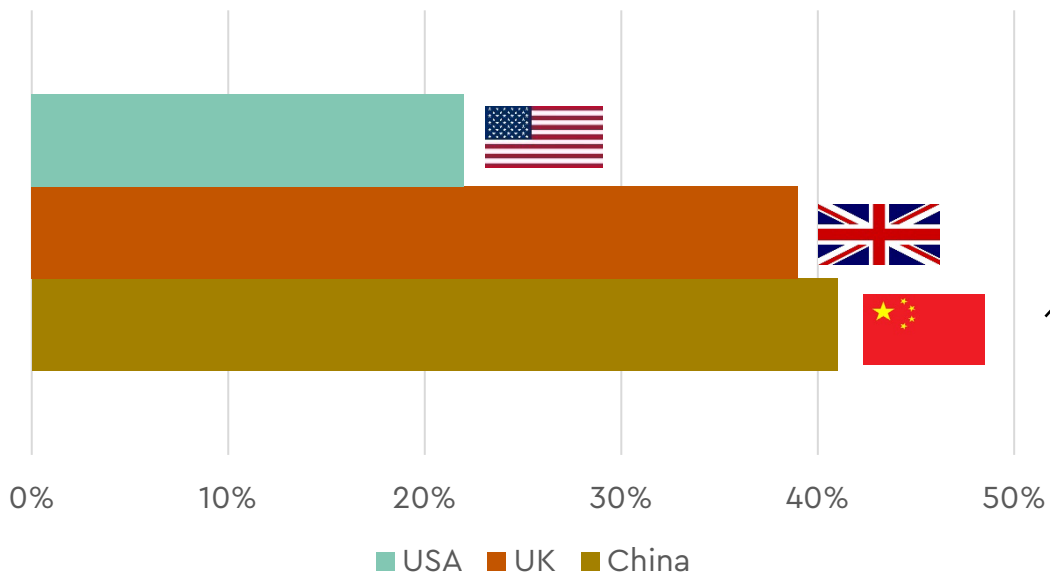
- Academic Research and Development in Higher Education
- Advanced Materials
- Communications



For comparison, the highest number of final orders issued in the previous reporting period were associated with Military and Dual-Use (5)

# Origin of investment

## Call-ins: associated country



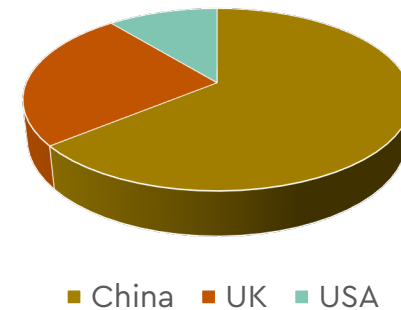
Of the 33 **'no action' notifications** issued:

- 48% involved acquirers associated with China
- 42% involved acquirers associated with the UK
- 21% involved acquirers associated with the USA

China was also associated with the highest proportion of 'no action' notifications issued (40%) during the previous reporting period

China was also associated with the highest proportion of **call-in notices** issued (42%) during the previous reporting period

## Withdrawals (associated country)



Of the 5 **final orders** issued:

- 2 were associated with the UK
- 2 were associated with the US
- Acquirers associated with Canada, France and the United Arab Emirates accounted for 1 final order each

# Time taken



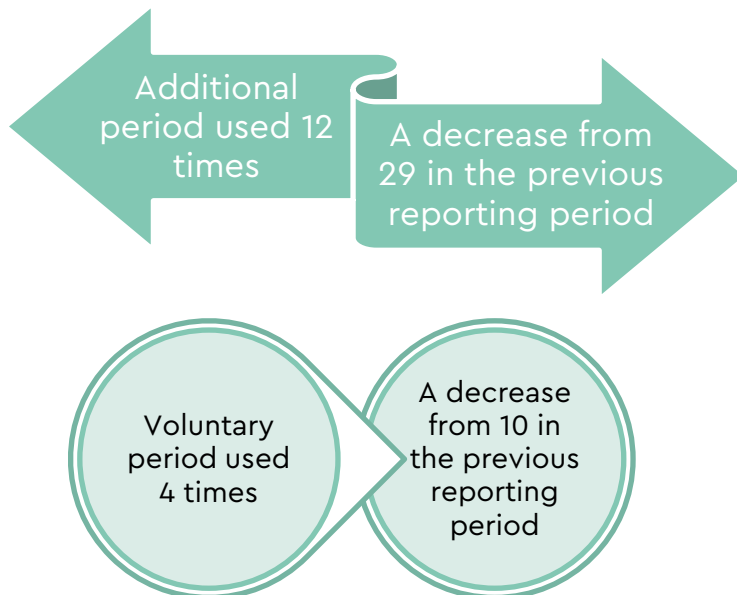
It took, on average, **6 working days** to **accept** a mandatory notification (and 8 working days to accept a voluntary notification) – up from 4 working days (to accept a mandatory notification) and 4 working days (to accept a voluntary notification) in the previous reporting period



All accepted notifications either called in or cleared within the statutory time limit of 30 working days

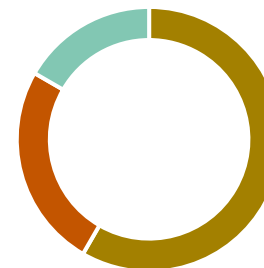
It took, on average:

- **29 working days** to issue a **call-in notice** (once a mandatory or voluntary notification was accepted) – a slight increase from 28 (for mandatory notifications) and 27 (for voluntary notifications) in the previous reporting period
- **26 working days** to issue a **'no action' notification** (from the point an acquisition was called in) – no change from the previous reporting period
- **34 working days** to issue a **final order** (from the point an acquisition was called in) – down from 81 in the previous reporting period (although the Government has cautioned against drawing any trends given the small number of final orders issued)



Of the 12 times the additional period was used

- 7 were issued with a final notification
- 3 were issued with a final order
- 2 were not finalised during the reporting period



Of the 4 times the voluntary period was used

- 2 were issued with a final notification
- 2 were issued with a final order



*If required, the Government can extend the 30 working day review period by 45 working days (the 'additional period'), and the Government and the acquirer can mutually agree to further voluntary extensions (the 'voluntary period')*

