

National Security and Investment Act: Call for Evidence

1. Respondent Info

This section helps the Government understand who is responding to this Call for Evidence. Subsequent sections then ask for your views.

1 What type of organisation do you work for? - required

- (a) Bank
- (b) Private equity firm
- (c) Asset management firm
- (d) Venture capital firm
- (e) Investment fund
- (f) Other investor type
- (g) Legal firm and answering on firm's behalf
- (h) Legal firm and answering on a clients behalf
- (i) Research institution
- (j) Higher Education institution
- (k) Business operating in the one or more of the 17 NSI mandatory areas
- (l) Financial advisory firm
- (m) Strategic consultancy firm
- (n) Trade body or Business Representative Organisation**
- (o) Thinktank
- (p) Not replying on behalf of an organisation
- (q) Other (please specify):

2 What area(s) of the economy do you operate in? - required

- (a) Advanced Materials
- (b) Advanced Robotics
- (c) Artificial Intelligence
- (d) Civil Nuclear

- (e) Communications
- (f) Computing Hardware
- (g) Critical Suppliers to Government
- (h) Cryptographic Authentication
- (i) Data Infrastructure
- (j) Defence
- (k) Energy
- (l) Military and Dual-Use
- (m) Quantum Technologies
- (n) Satellite and Space Technologies
- (o) Suppliers to the Emergency Services
- (p) Synthetic Biology
- (q) Transport

(r) Other (please specify): Insolvency and restructuring profession

3 What is the headcount of the organisation you work for? - required

- (a) 1-9
- (b) 10-49
- (c) 50-249
- (d) 250+

(e) Not Applicable

4 In what countries does your organisation operate? Please tick any of the following that apply and provide details if relevant - required

(a) UK

(b) Other (please specify):

The members of R3 primarily operate within the UK, however, often our members work with companies that have an international/cross-border presence on restructuring and insolvency assignments.

5 Have you submitted a notification under the NSI Act or been involved in other ways with the NSI Act? Please tick any of the following that apply and provide details if relevant. - required

- (a) Involved in a notification
- (b) Involved in an acquisition that was not notified but was subject to screening under the NSI Act (for example if you received an Information Notice or the deal was called in for review)
- (c) Providing legal services

(d) No

(e) Other (please specify):

2. If you have submitted a notification under the NSI Act

~~**6 If you have submitted a notification under the NSI Act, or been involved in an acquisition subject to NSI screening, did you interact as: - required**~~

- ~~(a) An acquirer~~
- ~~(b) The target~~
- ~~(c) A representative for the acquirer~~
- ~~(d) A representative for the target~~
- ~~(e) Other (please specify):~~

~~**7 If you have submitted a notification, was it a voluntary or mandatory notification or retrospective validation application?**~~

- ~~(a) Voluntary notification~~
- ~~(b) Mandatory notification~~
- ~~(c) Retrospective validation~~
- ~~(d) If you been involved in multiple notifications please specify the amount and type~~

~~**8 What was the final outcome of your acquisition screening? - required**~~

- ~~(a) Clearance in initial review period~~
- ~~(b) Final notification after call-in~~
- ~~(c) Final order after call-in~~
- ~~(d) Parties withdrew~~
- ~~(e) Still undergoing assessment~~
- ~~(f) If you have been involved in multiple outcomes, please specify~~

3. Call for Evidence Follow-Up

9 Please indicate if you are content for the ISU to contact you about your response to this call for evidence. - required

(a) Yes

(b) No

10 If Yes, then please provide your name, an email address and your organisations' name below:

(a) Name: Ben Luxford, Head of Technical

(b) Email: ben.luxford@r3.org.uk

(c) Organisation Name: R3, Association of Business Recovery Professionals

4. How the NSI Act works and how it is likely to be used

The UK is a global magnet for investment, in part because of the transparency and predictability of its markets and regulatory environment, and its strong commitment to the rule of law. We take our national security very seriously and are alive to the evolving threats posed to the UK economy and society, as recognised within the Integrated Review.

The design and subsequent implementation of the NSI Act has been driven by those principles, and stakeholders have largely fed back that this is borne out in their experience. The Government is nevertheless committed to ensuring it learns from experience to date and to provide more information to stakeholders about both how the NSI Act works and how it is likely to be used.

The Government sets out how the Act works and what stakeholders should expect when interacting with the Act through detailed guidance, available here. This has been updated and expanded twice since the Act came into force to reflect stakeholder feedback and questions, and the Government expects to continue these market guidance updates.

The Government sets out how it expects to exercise the power to give a call-in notice in a public statement called the Section 3 Statement, available here. This indicates the types of acquisition that are more likely to give rise to national security risks and so warrant investigation under the NSI Act. Stakeholders use this document to help them decide whether to submit voluntary notifications, whether to expect notifications to be called in, and what features of an acquisition the Government considers as presenting a higher risk to national security. As part of its commitment to transparency, the Government also publishes information on how the Act is used, including in the NSI Annual Report and through public notices of final orders.

The Government would like to further increase stakeholders' understanding of both the NSI Act and the risks it seeks to address through additional guidance and updates to the Section 3 Statement. The Government is also interested in how businesses and investors have changed their behaviour in response both to the requirements and powers of the NSI Act, and to the public communications the Government has issued on the risks the NSI Act seeks to address.

To what extent do you / your organisation agree with the following statements:

11 I / my organisation understand(s) the types of risk the Government seeks to address through the NSI Act - required

(a) Strongly Agree

(b) Agree

(c) Neither Agree nor Disagree

(d) Disagree

(e) Strongly Disagree

12 I / my organisation understand(s) how the NSI Act works and the requirements it places on my organisation. - required

(a) Strongly Agree

(b) Agree

(c) Neither Agree nor Disagree

(d) Disagree

(e) Strongly Disagree

13 I / my organisation understand(s) the circumstances of an acquisition that make it more likely that the Government will call it in or impose a final order under the NSI Act. - required

(a) Strongly Agree

(b) Agree

(c) Neither Agree nor Disagree

(d) Disagree

(e) Strongly Disagree

14 My / my organisation's approach to investment has changed since January 2022. - required

(a) Strongly Agree

(b) Agree

(c) Neither Agree nor Disagree

(d) Disagree

(e) Strongly Disagree

15 The commencement of the NSI Act was an important factor in changing my / my organisation's approach to investment. - required

- (a) Strongly Agree
- (b) Agree
- (c) Neither Agree nor Disagree
- (d) Disagree
- (e) Strongly Disagree

(f) Not applicable

16 Tick any of the below that apply to how your approach has changed: - required

- (a) Seeking investment
- (b) Advising on investment
- (c) Making investments
- (d) Seeking research collaborations
- (e) Planning research programmes
- (f) Supplying goods and services to the UK
- (g) **Doing business in the UK**

(h) Not Applicable

(i) Other (please specify):

17 Please provide any additional detail on your answers to Questions 14-16, including why your approach has changed (if applicable).

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18 How could Government improve its communication regarding the scope and operation of the NSI Act?

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19 Are there areas of the NSI Act on which you would like additional guidance, for example around acquirer, control, or target risk, or the scope of the Act?

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20 Where else do you go to seek guidance or support on national security considerations when approaching investments in your sector or forming research partnerships?

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Outward Direct Investment (ODI)

In certain narrow and specific situations, the NSI Act can apply to Outward Direct Investment (ODI), including where that ODI involves asset transfers alongside the investment. Stakeholders have asked the Government for more clarity on this.

- 21 **Do you understand where the NSI Act may apply to Outward Direct Investment (ODI), and would you welcome additional guidance?**

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5. Scope of the NSI system

Acquirers must notify the Government of some particularly sensitive deals and receive clearance before they can be completed, otherwise the deals are void in law and the acquirer could face civil or criminal penalties. This applies to certain acquisitions of control over companies and other entities carrying on activities in the UK that are specified in the NSI Notifiable Acquisition Regulations, with those activities falling into 17 areas of the economy.

Those mandatory notification requirements apply to all acquirers of such entities, and apply to the types of control set out in the NSI Act. There are currently no exceptions.

The overall scope of the NSI Act and its mandatory notification requirements were carefully considered during the passage of the Act and its secondary legislation through Parliament, and were the result of detailed consultation with experts from across the Government and the wider economy.

Nearly two years into the operation of Act and with a total of 1066 notifications considered over the first two Annual Reports, this is a good time to reflect on what the Government has learned from the acquisitions it has considered and the feedback it has received to date, and to seek more detailed input from experts across the economy. As part of this, the Government would like to use this call for evidence to test whether this feedback is representative and gather more detail.

Economy-wide mandatory notification requirements

The majority of acquisitions – and acquirers – in the UK economy present no national security risk. The Government seeks to ensure that acquisitions that are unlikely to create national security concerns face as little delay or uncertainty from the NSI system as possible. The 93% of notifications that were cleared without being called in in the financial year 2022-23 had clear, legally binding answers within 30 working days. The Government is however interested in whether there are additional ways it could reduce the potential burdens compliance with the NSI Act places on businesses and investors.

This section considers the scope of the Act's mandatory notification requirements and whether the associated secondary legislation could be better targeted, drawing on feedback to date. The Government is keen to maintain a careful balance to ensure the Government is aware of, and can intervene in, acquisitions that could harm national security, while ensuring the NSI Act does not hold back the large majority of deals in the economy that present no risk to the UK's national security. The Government is not currently exploring making primary legislation, such as changing the thresholds for mandatory notification set out in section 8 of the Act.

In particular, the Government is considering whether some targeted exemptions from mandatory notification may be appropriate, for example where the acquisition tends to give either minimal levels of control to the acquirer or not present any change in control. In the following questions we welcome general feedback as well some targeted responses on certain types of acquisitions.

- 22 Are there particular types of acquisitions that are currently subject to mandatory notification requirements that you do not think should be?**

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- 23 Have the timelines associated with mandatory notification affected acquisitions in which you have been involved?**

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Internal reorganisations

Internal reorganisations can be in scope of mandatory notification because they result in particular entities gaining more control, either indirectly or directly, over a target entity. However, the nature of such reorganisations may mean that the level of control held by a person over the target entity does not change or changes very little. We have received stakeholder feedback that the requirement to notify internal reorganisations is disproportionate. The Government is therefore interested in exploring an exemption for some internal reorganisations from the NSI Act's mandatory notification system, while ensuring it remains aware of particular reorganisations that warrant scrutiny under the NSI Act. The Government would therefore welcome stakeholders' views on how different types of internal reorganisations influence control.

- 24 Are there types of internal reorganisation that are more or less likely to result in substantive changes in who controls or influences an entity, and if so how would you characterise these types of reorganisations?**

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- 25 Have you had to notify an internal reorganisation under the NSI Act and, if so, what impact did it have on your organisation?**

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The appointment of liquidators, official receivers, and special administrators

Where a liquidated entity or bankrupt individual holds shares in a solvent entity, those shares can transfer to the liquidator when the liquidator is appointed and, if relevant tests are met under the NSI Act, that can require mandatory notification (detailed in guidance here). This also applies to the appointment of official receivers or special administrators in certain circumstances. The Government has received very few notifications relating to these appointments. Stakeholders have however suggested that, if mandatory notification is required, it could present challenges in a time-pressured liquidation or administration, and have argued that such appointments do not generally present national security risks, as any onward sale by the liquidator of shares or voting rights in sensitive entities would be a separate trigger event and potentially a notifiable acquisition. The government is therefore considering exempting the appointment of liquidators, official receivers and special administrators from mandatory notification requirements, bringing it more into line with the treatment of the appointment of administrators, which is already exempt from mandatory notification.

- 26 Are liquidators, official receivers, or special administrators likely to use their temporary control of shares in solvent entities to influence the policies of those solvent entities and, if so, how?**

Please see supporting letter.

- 27 Are there other circumstances which give temporary control over entities in financial distress where complying with mandatory notification requirements presents challenges? If so, what are the circumstances and has this happened to your organisation?**

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- 28 Have you had to notify the appointment of a liquidator, receiver or special administrator under the NSI Act and, if so, what effect did it have on the insolvency process and your organisation?**

Some members have expressed that the notification form can be very burdensome to fill in, although for confidentiality reasons, they are not at liberty to mention the specific cases.

Scots law share pledges

Certain lending requirements common under Scots law involve the transfer of shares securities against a loan, with legal ownership of those shares transferring to the lender until the loan is repaid, but day-to-day control of those shares remaining with the borrower. This can trigger mandatory notification requirements, both when the shares are transferred to the lender and then when they are transferred back to the borrower. This was raised in Parliament during the Act's passage and the Government has been monitoring the effect of this requirement on notifications. While the Government has received very few such notifications, if there is an absence of a substantive change in control then the Government is considering whether to explore removing the requirement for these arrangements to be notified.

- 29 **Are lenders holding shares under Scots law share pledges likely to use their temporary holding of those shares in solvent entities to influence those solvent entities against the wishes of the borrower? If so, can you give examples of when this has happened or might happen?**

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- 30 **Have you had to notify the appointment of a Scots law share pledge under the NSI Act and, if so, what effect did it have on the lending or borrowing process?**

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Public bodies

While the NSI Act does not apply to Crown bodies, it does apply to acquisitions by other public bodies. Acquisitions by public bodies are less likely to present acquirer risks and so the Government is considering whether to explore exempting them from mandatory notification. One option would be a named list of non-crown public bodies, including certain Executive Agencies, Non-Departmental Public Bodies, Non-Ministerial Departments, and local authorities.

- 31 **Do you have views on whether certain public bodies should be exempt from mandatory notification? How would you characterise these public bodies?**

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Automatic Enforcement Provisions in secured lending agreements

Automatic Enforcement Provisions in secured lending agreements lead to a situation where voting rights are automatically transferred from a borrower to a lender in the event of a loan default or similar situation. Some stakeholders have suggested that the application of mandatory notification requirements to these provisions could present challenges to loan markets. However, stakeholders have also suggested that loan markets have largely adjusted to mandatory notification requirements under the NSI Act. The Government has received very few such notifications. The Government therefore does not currently expect to exempt transfers of control under Automatic Enforcement Provisions from the NSI Act's mandatory notification system, but would welcome further views from stakeholders on the effect of this.

32 Has the inclusion of Automatic Enforcement Provisions under mandatory notification affected your ability to access loans, or to enforce such provisions?

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33 Have you reflected NSI mandatory notification requirements in the terms within lending agreements, either as part of new agreements or through updating existing agreements? If so, how?

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34 Do you have existing Automatic Enforcement Provisions or similar agreements which cover security over entities in the 17 mandatory areas and do not account for NSI mandatory notification requirements if they were to arise?

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Some stakeholders have also suggested that the Government should exempt certain types of acquirers that they consider to be lower risk, such as UK-based acquirers or acquirers that have previously had acquisitions investigated and cleared under the NSI Act. However, acquisitions may present risk for a variety of reasons, even if a previous acquisition by the same acquirer did not present risks that warranted remedies, and some acquisitions will require scrutiny and may warrant remedies regardless of the acquirer due to the sensitivity of the target. The Government is therefore not currently considering such exemptions.

Activities/areas defined under mandatory notification

The Notifiable Acquisition Regulations set out which activities in 17 sensitive areas of the UK's economy bring an entity into scope of mandatory notification. If an entity is carrying on these activities in the UK, anyone acquiring control (as set out in section 8(2), 8(5), and 8(6) of the NSI Act) must notify and receive clearance from the Government before completing the acquisition.

The Notifiable Acquisition Regulations also include a statutory requirement to review the regulatory provisions contained in the Regulations and publish a report setting out the conclusions of the review. This review needs to be completed within 3 years of the Regulations coming into force and must assess:

- The objectives of the notifiable acquisition regulations;
- The extent to which those objectives have been achieved;
- Whether those objectives remain appropriate; and
- If those objectives remain appropriate then to what extent can they be achieved in another way which involves less regulatory burden.

This call for evidence will provide important input into this review and will allow the Government to better understand how well the mandatory area definitions are working. The Government welcomes feedback on all areas of the economy, and on the regulations themselves as well as the supporting guidance.

The Government is interested in whether stakeholders think that there are activities within the 17 sensitive areas of the economy covered by mandatory notification that are very unlikely to

create national security risks, or where compliance with mandatory notification places substantial burdens on businesses and investors. The Government is also considering where it can provide more clarity through guidance.

In addition, the Government is considering a small number of potential expansions in scope to existing areas of the Notifiable Acquisition Regulations, and the creation of categories of activities in new sectors, as well as updates to reflect changes in the sectors themselves.

Through questions 35-39, the Government is particularly interested in feedback on the following mandatory areas:

Clarifying the scope of the Advanced Materials area

Advanced Materials offer significant benefits to military capability, through increased functionality, improved survivability, enhanced maintainability and reduced through-life cost. The Government has received feedback that this area of the Regulations is too complex and could be structured more clearly. We are therefore seeking feedback on how we can improve the clarity in this area.

Refining the scope of the Artificial Intelligence (AI) area

The regulation as currently drafted focuses on the specific work being undertaken, rather than whether a qualifying entity is focused solely on AI or incorporates or develops AI as part of a wider approach to their sector or business. This means that the regulation intentionally captures entities that do not necessarily identify as 'AI companies'.

The Government has however received feedback that this section of the Regulations captures activities that do not present national security risks. The Government would therefore welcome feedback on whether there are activities within the AI section of the Regulations that stakeholders believe should be removed. The Government is also interested in whether new areas should be added – for example, 'generative AI', which is currently not in scope.

Expanding the scope of the Communications area

The communications sector is diverse, technologically advanced and constantly evolving. It is integral to national security. The mandatory notification requirements include some of the most significant providers within the sector. The current definition has a £50 million UK turnover threshold for public electronic communications networks or services (PECN/S) and submarine cable systems. Entities are also captured if they make available an "associated facility" to a PECN/S with a turnover of at least £50m (exceptions apply), own a cable landing station or a repair or maintenance system for submarine cable systems or cable landing stations which are used by a PECN/S with UK turnover at least £50 million. The Government is considering whether this threshold of £50 million UK turnover should be reduced.

Clarifying and expanding the Data Infrastructure area

Data Infrastructure is the infrastructure that underpins our modern use of data. It provides the ability to store, process and transfer data. National security risks to data infrastructure can arise where an entity's activities give it access to data via physical or virtualised infrastructure. The Data Infrastructure area of the Regulations currently covers entities with a contract with a public sector authority or acting as a sub-contractor in the supply chain of this contract. As stakeholders have flagged, any entity with a contract involving material classified above OFFICIAL-SENSITIVE or involving an entity with staff cleared at Security Check (SC) or above is also captured by the Critical Suppliers to Government areas of the Regulations. The

Government is considering removing this duplication by removing the requirement to notify where the entity is a contractor or a sub-contractor to listed public sector authorities.

The Government is considering adding entities that own, operate, manage, or provide services to, colocation data centres in the Data Infrastructure area of the Regulations. Colocation data centres are data centres in which multiple customers (“tenants”) rent space to locate their own network(s), servers and storage equipment. The Government understands that the activities of colocation data centres enable physical and virtual access to data and on this basis is considering including the aforementioned entities in the Data Infrastructure area.

Refining and clarifying the Defence area

A robust defence sector – including the defence supply chain – is vital to the UK’s national security and must remain resilient to a wide range of evolving threats. We have received feedback that stakeholders sometimes find it difficult to understand whether their activities bring them into scope of this area of the Regulations. Without compromising the Government’s ability to effectively mitigate risks to defence operations, capabilities and personnel, the Government is considering whether the Regulations and guidance for this sector might be improved to further reduce the likelihood of capturing acquisitions that do not raise national security concerns and further increasing the understanding within the sector of what activities are captured.

Updating the Energy area

The Energy sector is diverse and rapidly developing to deliver the UK’s 2050 net zero goal. There are certain areas within this sector that are sensitive enough to require mandatory notification. The regulations currently cover upstream oil and gas, downstream gas and oil and electricity entities. Qualifying entities that hold licences or exemptions under the Electricity Act 1989 in relation to interconnectors and transmission are in scope of mandatory notification. The Government is proposing a new asset definition and licensable activity in the Energy Bill 2022/2023 for multi-purpose interconnectors (MPIs), which is effectively a combination of ‘interconnectors and transmission’, and over time the term MPI will replace the individual terms for interconnectors and transmission. The Government is therefore considering adding MPIs to this area to ensure that reference to these assets remain covered.

Expanding and clarifying the Suppliers to the Emergency Services area

The Emergency Services are essential to the safety and security of citizens in the UK. They use a wide variety of tools, goods and services to achieve their goals. Supply chains and procurement regimes to the emergency services are frequently complex and involve sub-contractors to provide sensitive services or require access to sensitive locations. The Government is considering whether sub-contractors providing those goods and services to the emergency services specified in the Regulations should be brought into scope of mandatory notification. We have also had feedback that it can be challenging to understand what information suppliers need to provide about which emergency services they provide goods or services to and are interested in clarifying this.

Clarifying the Synthetic Biology area

Synthetic biology can be used for both civilian and military purposes. This section of the Regulations sets out the types of activities that fall within the scope of mandatory notification, the meaning of synthetic biology, and exceptions (for example industrial biotechnology research, and development or production using enzymes or organisms that have not been modified through the application of synthetic biology). We have received feedback from stakeholders that this definition is too complex, making it difficult for parties to know if they are

covered. The Government is keen to explore whether this area of the Regulations can be simplified.

Clarifying the treatment of the academia

Some activities in academia can come under the NSI Act and the mandatory notification system, for example when particular spin-outs seek additional funding. The Government has published guidance for academia (here) and provides bespoke support on a variety of issues through the Research Collaboration Advice Team (RCAT) based in the Department for Business and Trade (DBT). Stakeholders have asked for additional guidance on the interactions between academia and the NSI Act and the types of activities that are more likely to be called in under the NSI Act, including additional guidance on when voluntary notifications might be appropriate. The Government is therefore looking at how it can make the guidance as helpful as possible, although it is not considering creating a standalone academia area in the Regulations.

Additional sectors

Based on stakeholder feedback, developments in the economy, and experience of operating the NSI system, the Government is considering whether clarity in the Regulations could be improved by grouping certain activities under new areas of the economy, without changing the overall scope of activities covered by the Regulations. In particular, the Government is considering the following changes.

Creating and updating a Semiconductors area

Activities relating to semiconductors fall within the scope of mandatory notification as part of the Advanced Materials and Computing Hardware sections of the Regulations. With the introduction of the Semiconductor Strategy earlier this year, the Government is considering whether carving out those activities relating to semiconductors which are subject to mandatory notification requirements such that they stand alone would improve clarity. We are also considering whether to update the activities captured to reflect the Semiconductors Strategy, for example by further focusing on compound semiconductors, design and intellectual property.

Creating and updating a Critical Minerals area

Critical minerals are defined as those which have the highest global supply risk and economic vulnerability, typically without good substitutes, if any. Technological change – for example, in electronics, energy generation and storage, transport and defence equipment – and a shifting geopolitical landscape mean we have rapidly growing demand for these critical minerals. Activities in this sector are currently captured in the Advanced Materials section of the Notifiable Acquisition Regulations, which ranges from metals and alloys to semiconductors to nanotechnology. The Government is considering bringing the Regulations in line with the British Geological Survey's latest assessment of critical minerals, due for publication early next year. This will be an update to the 18 minerals which are currently assessed as critical and would be carved out as a standalone section in the Regulations.

35 Do you understand what activities might bring an entity into scope of mandatory notification requirements, as set out in the Notifiable Acquisition Regulations?

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36 Are there activities specified in the Notifiable Acquisition Regulations that you do not think should be included? If so, what activities?

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37 Are there activities not included in the Notifiable Acquisition Regulations that you think should be included? If so, what activities?

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38 Are there areas of the Notifiable Acquisition Regulations that would benefit from additional guidance? If so, what areas and what guidance?

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39 Are there areas of the Notifiable Acquisition Regulations that would benefit from drafting changes to improve clarity on the activities covered, either by changing drafting within areas of the Regulations or by carving out new areas? If so, what areas?

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6. Operation of the NSI Act

The Government is committed to continuously improving the operation of the NSI system, including the functioning of the Investment Security Unit, and has already made a number of improvements in response to stakeholder feedback, in particular around increasing transparency of the process. This includes:

- Routinely offering calls at key stages in the NSI process, including when issuing call-in letters, when an additional period notice is issued, when writing to parties to set out the risks identified in their transaction and proposing remedies, and when a voluntary period notice is agreed.
- Introducing explanatory calls for more complex information notices (usually those issued within the assessment period) that allow the ISU to explain the information required and the judgements we are seeking to make, in order to help businesses to respond most effectively.
- Providing named senior contacts for engagement post call-in.
- Making targeted use of Attendance Notices instead of, or alongside, Information Notices to obtain and understand complex information pertaining to acquisitions.
- Updating the NSI notification service in response to user feedback, including introducing the ability to share notifications with other users to support joint working and/or business resilience.

The Government would welcome your views on other ways to improve the operation of the Act, including how the ISU communicates with parties considering or involved in affected acquisitions.

40 Are there any other changes you would like the Government to consider to the operation of the NSI Act?

Notification forms

All mandatory and voluntary notifications and retrospective validation applications must be submitted through the NSI Notification Service unless an alternative is agreed in advance with the ISU. The past two years have demonstrated that certain information that is not currently requested on the forms can sometimes be helpful to the Government when deciding whether to accept notifications or issue call-in notices or clearances. The Government is considering asking for additional information on the forms. This may reduce the number of subsequent information and attendance notices issued and help the Government accept notifications more quickly, but would also increase the length of the forms for all notifiers.

41 If you have completed a notification form, how much time did this take?

42 Would you prefer that the forms ask for more information if that reduces the likelihood that the Government asks for additional information during the review or assessment process?

NSI Notification Service (the 'portal')

The Government regularly collects feedback from users about the NSI Notification Service and has made improvements in response to this. Further views are sought at this stage to help identify and prioritise opportunities for future improvements.

43 What, if any, functional improvements would make submitting a notification on the NSI Notification Service easier?

Classified material

It is important that parties using the notification forms and portal only upload information that is classified at OFFICIAL (including OFFICIAL SENSITIVE) and below, and not classified at SECRET or TOP SECRET.

44 Do you understand what kind of information would be classified at SECRET and TOP SECRET and how to provide that information to the ISU if necessary?

45 If you are a legal advisor submitting a notification form on behalf of a client, do you check the classification of material provided in the form with your client before submitting?

Is there any further feedback you would like to provide?