



# House of Commons

Tuesday 1 December 2020

## PUBLIC BILL COMMITTEE

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*New Amendments handed in are marked thus ★*

☆ *Amendments which will comply with the required notice period at their next appearance*

*Amendments tabled since the last publication: 16 to 21*

## NATIONAL SECURITY AND INVESTMENT BILL

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### NOTE

**This document includes all amendments remaining before the committee and includes any withdrawn amendments at the end. The amendments have been arranged in accordance with the Order of the Committee [24 November 2020].**

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Chi Onwurah  
 Stephen Kinnock  
 Sam Tarry  
 Matt Western  
 Dr Alan Whitehead

3

Clause 1, page 1, line 6, after “Secretary of State” insert “upon the assessment of a multi-agency review or recommendation of the Intelligence and Security Committee”

***Member’s explanatory statement***

*This amendment would require the Secretary of State to assess a multi-agency review prior to issuing a call-in notice.*

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 National Security and Investment Bill, *continued*

Chi Onwurah  
 Stephen Kinnock  
 Sam Tarry  
 Matt Western  
 Dr Alan Whitehead

10

Clause 2, page 2, line 12, leave out subsection (1) and insert—

“(1) No more than one call-in notice may be given in relation to each trigger event, unless material new information becomes available within five years of the initial trigger event.”

***Member’s explanatory statement***

*This amendment would enable the Secretary of State to issue multiple call-in notices if material new information becomes available.*

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Chi Onwurah  
 Stephen Kinnock  
 Sam Tarry  
 Matt Western  
 Dr Alan Whitehead

1

Clause 3, page 3, line 1, leave out “may” and insert “shall”

***Member’s explanatory statement***

*This amendment would make it obligatory for the Secretary of State to include certain matters in a statement about his/her exercise of the call-in power.*

Chi Onwurah  
 Stephen Kinnock  
 Sam Tarry  
 Matt Western  
 Dr Alan Whitehead

2

Clause 3, page 3, line 9, at end insert—

“(d) the Secretary of State’s definition of the scope of what constitutes national security.”

***Member’s explanatory statement***

*This amendment provides that a statement from the Secretary of State about the exercise of a call-in power may include his/her definition of national security.*

Chi Onwurah  
 Stephen Kinnock  
 Sam Tarry  
 Matt Western  
 Dr Alan Whitehead

9

Clause 3, page 3, line 9, at end insert—

“(d) details of the resource allocated annually to reviews of national security assessments guiding call-in decisions, including specific headcount, skillsets and review caseload figures.”

***Member’s explanatory statement***

*This amendment provides that a statement from the Secretary of State about the exercise of a call-in power may include details of the resources allocated to reviews of national security assessments within BEIS.*

National Security and Investment Bill, *continued*

Chi Onwurah  
 Stephen Kinnock  
 Sam Tarry  
 Matt Western  
 Dr Alan Whitehead

11

Clause 3, page 3, line 16, at end insert—

- “(7) The Secretary of State must publish guidance for potential acquirers and other interested parties separate from the policy intent statement.
- (8) Guidance under subsection (7) must cover—
- (a) best practice for complying with the requirements on acquirers imposed by this Act and regulations;
  - (b) the enforcement of the requirements; and
  - (c) circumstances where the requirements do not apply.
- (9) Guidance under subsection (7) must be published within six months of this Act receiving Royal Assent.”

**Member’s explanatory statement**

*This amendment would require the Secretary of State to provide clear guidance to potential acquirers and other interested parties.*

Chi Onwurah  
 Stephen Kinnock  
 Sam Tarry  
 Matt Western  
 Dr Alan Whitehead

4

Clause 4, page 3, line 21, at end insert—

- “(aa) at least one week before the statement is made, consult with the Intelligence and Security Committee in respect of the contents of the statement; and
- (ab) amend such legislation as may be necessary to allow such consultation to take place;”

**Member’s explanatory statement**

*This amendment would require the Secretary of State to consult with the Intelligence and Security Committee before publishing a statement under section 3.*

Stephen Kinnock  
 Chi Onwurah  
 Sam Tarry  
 Matt Western  
 Dr Alan Whitehead

6

Clause 6, page 4, line 27, at end insert—

- “(4A) The Secretary of State must have regard to the protection of critical national infrastructure when making regulations under this section.”

**Member’s explanatory statement**

*This amendment would require the Secretary of State to have regard to the protection of critical national infrastructure when making notifiable acquisition regulations.*

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 National Security and Investment Bill, *continued*

Chi Onwurah  
 Stephen Kinnock  
 Sam Tarry  
 Matt Western  
 Dr Alan Whitehead

5

Clause 6, page 5, line 3, at end insert—

- “(10) Before making regulations under this section, the Secretary of State must—
- (a) provide the Intelligence and Security Committee with one week’s advance notice of his/her intention to bring forward such regulations; and
  - (b) make any necessary amendments to legislation to allow the Intelligence and Security Committee to respond with recommendations.”

***Member’s explanatory statement***

*This amendment would require the Secretary of State to notify the Intelligence and Security Committee before making regulations under this section, and would provide a mechanism for the Committee to respond with recommendations.*

Stephen Flynn  
 Peter Grant

13

Clause 6, page 5, line 3, at end insert—

- “(10) Notifiable acquisition regulations must be reviewed one year after they are made, and at least once every five years thereafter.”

***Member’s explanatory statement***

*This amendment would require notifiable acquisition regulations (including which sectors are covered) to be reviewed one year after they are made, and once every five years thereafter.*

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Stephen Kinnock  
 Chi Onwurah  
 Sam Tarry  
 Matt Western  
 Dr Alan Whitehead

7

Clause 8, page 6, line 38, at end insert—

- “(10) The fifth case is where the acquisition involves state-owned entities or investors originating in a country of risk to UK national security and creates any change of influence.”

***Member’s explanatory statement***

*This amendment would mean that any acquisition involving state-owned entities or investors originating in a country of risk to UK national security and creating a change of influence would count as a person gaining control of a qualifying entity.*

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National Security and Investment Bill, *continued*

Chi Onwurah  
Stephen Kinnock  
Sam Tarry  
Matt Western  
Dr Alan Whitehead

8

Clause 8, page 6, line 38, at end insert—

“(10) The fifth case is where the acquisition involves changes to material influence in industries critical to the UK’s capability and capacity to maintain national security, including economic security.”

***Member’s explanatory statement***

*This amendment would mean that any acquisition which involves changes to material influence in industries critical to national security would count as a person gaining control of a qualifying entity.*

Chi Onwurah  
Stephen Kinnock  
Sam Tarry  
Matt Western  
Dr Alan Whitehead

12

Clause 8, page 6, line 38, at end insert—

“(10) The fifth case is where a person becomes a major debt holder and therefore gains influence over the entity’s operation and policy decisions.

(11) For the purposes of subsection (8A), a major debt holder is a person who holds at least 25% of the entity’s total debt.”

***Member’s explanatory statement***

*This amendment would mean that a person becoming a major debt holder would count as a person gaining control of a qualifying entity.*

Stephen Flynn  
Peter Grant

14

Clause 8, page 6, line 38, at end insert—

“(10) The fifth case is where a person becomes a major debt holder and therefore gains influence over the entity’s operations and policy decisions.

(11) For the purposes of subsection (8A), a major debt holder is a person who holds at least 25% of the entity’s total debt.

(12) The sixth case is where a person becomes one of the entity’s top three suppliers of goods, services, infrastructure or resources and therefore gains influence over its operations and policy decisions.”

***Member’s explanatory statement***

*This amendment would mean that a person becoming a major debt holder or a major supplier would count as a person gaining control of a qualifying entity.*

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 National Security and Investment Bill, *continued*

Chi Onwurah  
 Stephen Kinnock  
 Sam Tarry  
 Matt Western  
 Dr Alan Whitehead

16

- ★ Clause 12, page 8, line 4, leave out from “does” to end of line 11 and insert “establishes that arrangements are in progress or contemplation which, if carried into effect, would result in a trigger event taking place.”

***Member’s explanatory statement***

*This amendment would expand the scope of events to be considered trigger events.*

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Chi Onwurah  
 Stephen Kinnock  
 Sam Tarry  
 Matt Western  
 Dr Alan Whitehead

17

- ★ Clause 13, page 8, line 22, at end insert—

“(4) The Secretary of State must publish guidance that covers—

- (a) consideration of the impact of a notifiable acquisition being deemed void under subsections (1) and (3), with particular regard to the impact on consequential obligations, liabilities and rights in completed events;
- (b) who constitutes a “materially affected” person under Clause 16(1); and
- (c) the informational and evidential standards that would underpin the requirement for completion “in accordance with the final order” at subsection (3).”

- (5) Guidance as set out under subsection (4) must be published within 3 months of this Bill becoming an Act and the Secretary of State shall review the guidance once every 12 months thereafter.”

***Member’s explanatory statement***

*This amendment would mandate the Secretary of State to publish guidance on the approval process of notifiable acquisitions.*

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Chi Onwurah  
 Stephen Kinnock  
 Sam Tarry  
 Matt Western  
 Dr Alan Whitehead

18

- ★ Clause 14, page 8, line 36, leave out “may” and insert “shall”

***Member’s explanatory statement***

*This amendment seeks to make the Secretary of State’s prescription of regulation of the form and content of a mandatory notice mandatory.*

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National Security and Investment Bill, *continued*

Chi Onwurah  
Stephen Kinnock  
Sam Tarry  
Matt Western  
Dr Alan Whitehead

19

- ★ Clause 18, page 11, line 28, leave out “may” and insert “shall”

*Member’s explanatory statement*

*This amendment seeks to make the Secretary of State’s prescription of regulation of the form and content of a voluntary notice mandatory.*

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Chi Onwurah  
Stephen Kinnock  
Sam Tarry  
Matt Western  
Dr Alan Whitehead

20

- ★ Clause 19, page 12, leave out lines 24 to 27

*Member’s explanatory statement*

*This amendment seeks to broaden the Secretary of State’s powers to require information.*

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Chi Onwurah  
Stephen Kinnock  
Sam Tarry  
Matt Western  
Dr Alan Whitehead

21

- ★ Clause 20, page 13, leave out lines 17 to 20

*Member’s explanatory statement*

*This amendment seeks to broaden the information gathering powers of the Secretary of State, in specific regard to witness attendance.*

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Chi Onwurah  
Stephen Kinnock  
Sam Tarry  
Matt Western  
Dr Alan Whitehead

NC1

To move the following Clause—

**“National Security definition**

When assessing a risk to national security, the Secretary of State may have regard to factors including, but not restricted to—

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**National Security and Investment Bill, *continued***

- (a) whether the trigger event risks enabling a hostile actor to gain control of a crucial supply chain, obtain access to sensitive sites, corrupt processes or systems, conduct espionage, exert inappropriate leverage or engage in any other action which may undermine national security;
- (b) whether the trigger event adversely impacts the UK's capability and capacity to maintain economic security;
- (c) the potential impact of the trigger event on the UK's defence capabilities and interests;
- (d) the potential impact of the trigger event on the transfer of sensitive data, technology or know-how outside of the UK;
- (e) the characteristics of the acquirer, including its jurisdiction of incorporation and proximity to any state;
- (f) the potential impact of the trigger event on the security of the UK's critical national infrastructure;
- (g) whether the acquirer in respect of a trigger event has a history of compliance with UK and other applicable law;
- (h) the potential impact of the trigger event on the UK's international interests and obligations, including with respect to the protection of human rights and climate risk; and
- (i) the potential of the trigger event to involve or facilitate illicit activities, including terrorism, organised crime and money laundering."

***Member's explanatory statement***

*This new clause specifies a number of factors which the Secretary of State may consider when assessing a risk to national security.*

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Stephen Flynn  
Peter Grant

NC2

To move the following Clause—

**“Report on impact on Small to Medium Enterprises**

Not later than 18 months after the day on which this Act receives Royal Assent, the Secretary of State must lay before Parliament—

- (a) a report setting out the impacts the Act has had on Small to Medium Enterprises and early-stage ventures, and
- (b) guidance for Small to Medium Enterprises and early-stage ventures on complying with the provisions of this Act.”

***Member's explanatory statement***

*This new clause would require the Government to produce a report setting out the impacts of this legislation on Small to Medium Enterprises and early-stage ventures, and to produce relevant guidance.*

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National Security and Investment Bill, *continued*

Stephen Flynn  
Peter Grant

NC3

To move the following Clause—

**“Grace period for SMEs**

For the purposes of section 32, a person has a reasonable excuse if—

- (a) the entity concerned is a Small to Medium Enterprise;
- (b) this Act has been in force for less than six months.”

***Member’s explanatory statement***

*This new clause creates a grace period whereby – for alleged offences committed under Section 32 – Small to Medium Enterprises would have a ‘reasonable excuse’ if the alleged offence was committed within the first six months after the Bill’s passage.*

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ORDER OF THE HOUSE [17 NOVEMBER 2020]

That the following provisions shall apply to the National Security and Investment Bill:

*Committal*

1. The Bill shall be committed to a Public Bill Committee.

*Proceedings in Public Bill Committee*

2. Proceedings in the Public Bill Committee shall (so far as not previously concluded) be brought to a conclusion on Tuesday 15 December 2020.
3. The Public Bill Committee shall have leave to sit twice on the first day on which it meets.

*Proceedings on Consideration and up to and including Third Reading*

4. Proceedings on Consideration and any proceedings in legislative grand committee shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which proceedings on Consideration are commenced.
5. Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.
6. Standing Order No. 83B (Programming committees) shall not apply to proceedings on Consideration and up to and including Third Reading.

*Other proceedings*

7. Any other proceedings on the Bill may be programmed.
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National Security and Investment Bill, *continued*

ORDER OF THE COMMITTEE [24 NOVEMBER 2020]

That—

- (1) the Committee shall (in addition to its first meeting at 9.25am on Tuesday 24 November) meet—
- (a) at 2.00 pm on Tuesday 24 November;
  - (b) at 11.30 am and 2.00 pm on Thursday 26 November;
  - (c) at 9.25 am and 2.00 pm on Tuesday 1 December;
  - (d) at 11.30 am and 2.00 pm on Thursday 3 December;
  - (e) at 11.30 am and 2.00 pm on Thursday 8 December;
  - (f) at 11.30 am and 2.00 pm on Thursday 10 December;
  - (g) at 9.25 am on Tuesday 15 December;
- (2) the Committee shall hear oral evidence in accordance with the following Table:

TABLE

| <i>Date</i>          | <i>Time</i>                  | <i>Witness</i>  |
|----------------------|------------------------------|---|
| Tuesday 24 November  | Until no later than 10.30 am | The Royal United Services Institute   |
| Tuesday 24 November  | Until no later than 11.25 am | Sir Richard Dearlove KCMG OBE   |
| Tuesday 24 November  | Until no later than 2.45 pm  | The Centre for International Studies, London School of Economics                  |
| Tuesday 24 November  | Until no later than 3.30 pm  | Skadden, Arps, Slate, Meagher & Flom LLP  |
| Tuesday 24 November  | Until no later than 4.15 pm  | The Institute of Chartered Accountants in England and Wales                       |
| Tuesday 24 November  | Until no later than 5.00 pm  | The Investment Association  |
| Thursday 26 November | Until no later than 12.15 pm | Slaughter and May   |
| Thursday 26 November | Until no later than 1.00 pm  | Professor Ciaran Martin, the Blavatnik School of Government, University of Oxford |
| Thursday 26 November | Until no later than 2.30 pm  | Herbert Smith Freehills   |
| Thursday 26 November | Until no later than 3.15 pm  | Simons Muirhead and Burton  |
| Thursday 26 November | Until no later than 4.00 pm  | Chatham House   |

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**National Security and Investment Bill, *continued***

| <i>Date</i>             | <i>Time</i>                    | <i>Witness</i>         |
|-------------------------|--------------------------------|------------------------|
| Thursday 26<br>November | Until no later than<br>4.30 pm | PricewaterhouseCoopers |

- (3) proceedings on consideration of the Bill in Committee shall be taken in the following order: Clauses 1 to 10; Schedule 1; Clauses 11 to 58; Schedule 2; Clauses 59 to 66; new Clauses; new Schedules; remaining proceedings on the Bill;
  - (4) the proceedings shall (so far as not previously concluded) be brought to a conclusion at 11.25 am on Tuesday 15 December.
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