Rt Hon Pat McFadden MP
Chancellor of the Duchy of Lancaster
Cabinet Office 70 Whitehall London
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Liam Byrne MP
Chair, Business and Trade Committee
House of Commons
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23 April 2025

Dear Liam,

Mingyang Smart Energy Group

Thank you for your letter of 4 April 2025, regarding Mingyang Smart Energy Group. I will answer your questions in order:

1. *Do floating wind turbines fall within the definition of qualifying assets?*

   The NSI Act defines an asset as land, tangible (or, in Scotland, corporeal) moveable property, or ideas, information or techniques which have industrial, commercial or other economic value. For an asset to be a qualifying asset, it must either be situated in the UK, or its territorial sea, or used in connection with activities carried on in the UK or the supply of goods or services to people in the UK.

   As floating wind turbines are tangible moveable property which have industrial, commercial or other economic value, they may be qualifying assets under the NSI Act.

   For the Government to take any action under the NSI Act, a qualifying acquisition, as defined in the legislation, must have taken place.

2. *Have any transactions involving Mingyang Smart Energy Group been notified to the Investment Security Unit under the Act?*

   The Government takes seriously its responsibilities for ensuring the confidentiality of the information it receives under the NSI Act. Notifications received under the Act are either compelled by law, as a consequence of the Act's mandatory notification requirements, or made voluntarily by parties, for the explicit purpose of ensuring national security risk does not arise from a transaction. As these notifications also generally concern private and commercially-sensitive transactions, the Government has set out in public guidance that it will not publish information regarding the receipt or otherwise of individual notifications. In the interests of encouraging compliance with the Act, and to reassure businesses and investors of the confidentiality of their communications with regard to notifications, the Government generally does not comment on whether or not notifications have been received.

   I can however confirm the Government is aware of the proposed procurement agreement between Greenvolt and Mingyang.

3. *Is the Memorandum of Understanding between the UK Government and Mingyang Smart Energy Group still in place?*

   The Memorandum of Understanding between the UK Government and Mingyang Smart Energy Group was signed in December 2021 and expired in December 2023.

4. *Please provide a copy of the text of Memorandum of Understanding (this can be provided in confidence if required).*

   I am happy to provide you with a copy of the Memorandum of Understanding to the Committee and have attached it to this letter. I would be grateful if you do not publish the Memorandum of Understanding.

5. *Please clarify if this Memorandum of Understanding has any bearing on the applicability of the National Security and Investment Act to investment by the companies that are party to it.*

   The Memorandum of Understanding explicitly states that it is not legally binding on the parties and does not affect any legal or administrative processes under UK or Chinese law, including investment screening.

I hope this information is helpful.

Yours sincerely,

Pat McFadden

Rt Hon. Pat McFadden MP
Chancellor of the Duchy of Lancaster