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Rt Hon Liam Byrne MP
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12 March 2026

**GOVERNMENT RESPONSE TO THE CONSULTATION ON THE NATIONAL SECURITY AND
INVESTMENT ACT 2021 (NOTIFIABLE ACQUISITION) (SPECIFICATION OF QUALIFYING
ENTITIES) REGULATIONS 2021**

Dear Liam,

I am pleased to announce that I am today publishing the Government's response to the Consultation on the National Security and Investment Act 2021 (Notifiable Acquisition) (Specification of Qualifying Entities) Regulations 2021. My predecessor, Pat McFadden MP, wrote to you on 22 July 2025 to announce the consultation as part of a series of updates on the NSI Act.

The 12-week consultation sought stakeholders' views on the Government's proposed updates to the Notifiable Acquisition Regulations (NARs) which set out the areas of the economy subject to mandatory notification under the NSI Act. Within each schedule of the NARs, our proposals sought to reduce scope where possible, increase scope where necessary and improve clarity for businesses. The consultation closed on 14 October 2025.

Overall, respondents largely supported the proposed changes, including the creation of standalone Semiconductors and Critical Minerals schedules (which you welcomed in your letter on 4 April) and adding Water as a new area. Many stakeholders suggested that some definitions, such as Artificial Intelligence (mentioned in your letter) and Critical Minerals, remained too broad or technically complex. Most respondents also requested clearer and more extensive guidance across the NARs.

Following careful consideration of the feedback received, the Government will:

- Make further drafting changes to the following schedules to reduce capturing low-risk notifications where possible: Critical Minerals, Semiconductors, Artificial Intelligence and Communications;
- Make further minor amendments to the following schedules to clarify scope and definitions: Critical Suppliers to Government, Data Infrastructure, Energy and Suppliers to the Emergency Services;
- Finalise the Water schedule;

- Keep the updated Advanced Materials and Synthetic Biology schedules broadly as they are, to ensure that emerging technologies and the diverse uses of these are captured; and
- Provide updated and more detailed guidance for the majority of the schedules consulted on, alongside the Defence schedule, to address topics frequently raised in feedback.

These reforms will ensure that the NARs continue to capture emerging national security risks proportionately while getting out of the way of secure investment, unlocking economic growth across the UK.

I intend to lay secondary legislation to update the NARs in due course.

Through the consultation, respondents also provided valuable data on their interactions with the NSI system and feedback on the Government's impact estimates. This information will be incorporated into the Government's updated impact estimates that will accompany the secondary legislation later this year. I remain committed to ensuring that impacts on businesses are kept to a minimum.

Thank you for your ongoing and important work in this area. I look forward to working with your Committee to ensure the NSI system remains as effective and efficient as possible.

Yours sincerely,

A handwritten signature in black ink, reading "Darren Jones". The signature is written in a cursive, flowing style with a large initial 'D' and 'J'.

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Chief Secretary to the Prime Minister, Chancellor of the Duchy of Lancaster and Minister for Intergovernmental Relations