



Ministry
of Defence

JEREMY QUIN MP
MINISTER OF STATE FOR DEFENCE PROCUREMENT



MSU/4/8/1/2/is

3 June 2021

Dear Tobias,

**PARLIAMENTARY OVERSIGHT OF THE NATIONAL SECURITY AND INVESTMENT
REGIME**

Thank you for your letter of 27 April. I am pleased to hear that the Government response to your inquiry into *Foreign Involvement in the Defence Supply Chain* was of use to the Committee.

I agree that the Investment Security Unit (ISU) – which sits within BEIS - must face effective Parliamentary scrutiny. I share the view of BEIS Ministers that oversight of the NSI regime, including scrutiny of the ISU, is a role best performed by a single oversight body – and that the BEIS Select Committee is best placed to undertake this work. A separate, regular line of reporting to the Defence Committee or other committees, would of necessity be provided by the ISU rather than MOD and give only a partial view of the work undertaken by the ISU. It would also risk duplicating or diverting effort from the effective operation of the NSI regime, which we wish to avoid.

We also judge that providing such information at yearly intervals in the annual report is the right frequency of reporting, as this ensures the information remains current while giving enough time for trends to become apparent. The Government has previously agreed that the report will provide details of the sectors of the economy in relation to which mandatory notices were given; the sectors of the economy in relation to which voluntary notices were given; and the sectors of the economy in relation to which call-in notices were given.

For these reasons, I am unable to agree to your request for the provision of information within the annual report to be provided directly to the HCDC at 6-monthly intervals. The Defence Committee can, of course, request information from the BEIS Select Committee.

**The Rt Hon Tobias Elwood MP
House of Commons
London
SW1A 0AA**

I hope that this clarifies the Government position on Parliamentary scrutiny of the work of the ISU. I am copying this letter to the Business Secretary.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Jeremy Quin', with a long horizontal flourish extending to the right.

JEREMY QUIN MP