



## Foreign Affairs Committee

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**From the Chair**  
Tom Tugendhat MP

Rt Hon Oliver Dowden CBE MP  
Secretary of State for Digital, Culture, Media and Sport  
4<sup>th</sup> Floor  
100 Parliament Street  
London SW1A 2BQ  
By Email

9 April 2020

Dear Secretary of State,

Thank you for your letter of 6 April in which you provided an update on the Government's correspondence with Imagination Technologies. The Committee very much welcomes your reassurance that the Government is taking the matter seriously. However, as we still have concerns about the future management of the company, and the potential for vital technologies and intellectual property to be exported contrary to the spirit of the 2017 agreement, we are writing today with some follow-up questions.

- Does Imagination Technologies meet the tests set out in the Enterprise Act 2002, as amended, for UK turnover, the share of supply test, or 'a share of supply of 25% or more of relevant goods and or services in the UK' thereby qualifying as a 'target business' under the Act?
- What material influence did China Reform have over Imagination in 2017?
- In 2017, did the Government receive assurances from Imagination or Canyon Bridge that China Reform was a passive investor?
- Would a change in the executive management of Imagination by appointment of China Reform via Canyon Bridge constitute a change in control under the Enterprise Act 2002?
- Does the attempt by China Reform to appoint 4 new directors to Imagination qualify as a change of control under the Enterprise Act 2002?
- Would the replacement of Dr Ron Black as Chief Executive Officer through the encouragement, suggestion, or otherwise direction of China Reform constitute a change of control under the Enterprise Act 2002?
- Do you agree that the technology, including the intellectual property licenced by Imagination, qualifies as subject to the new provisions set out in the Enterprise Act 2002?
- Has the government considered referring this case to the CMA on competition grounds?
- Is the Government considering a national security-related intervention to gather all relevant facts before a change of control of Imagination Technologies can occur?
- Has the Government looked at the export licence for technology that could have military application?
- Would the move of patents, intellectual property and technology overseas contradict any of the assurances given in 2017 invalidating the then agreement and allowing the Government to revisit the permission then given?

A copy of this letter has been sent to the Secretary of State for Business, Energy & Industrial Strategy, as well as the Chairs of the Defence Committee, the Business, Energy & Industrial Strategy Committee and the Digital, Culture, Media and Sport Committee.

It would be helpful to receive a response as early as possible.

Yours sincerely,

**TOM TUGENDHAT MP**  
Chair