

# UK GOVERNMENT PLANS NEW CONTROLS ON FOREIGN INVESTMENT IN CRITICAL INFRASTRUCTURE

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Legal Briefings

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The UK Government has announced reforms to its approach to the ownership and control of critical infrastructure to ensure that the full implications of foreign ownership are scrutinised for the purposes of national security.

While the announcement was made in the context of giving the go-ahead for the Hinkley Point C new nuclear project, it has wider implications for investments in UK infrastructure.

Details of the reforms are scarce. But crucially they will include the introduction of a "cross-cutting national security requirement for continuing Government approval of the ownership and control of critical infrastructure". This statement warrants closer analysis:

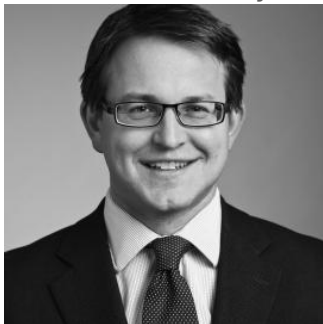
- It refers to the need for continuing Government approval. That implies more than a one-off approval process triggered by the acquisition of ownership or control. It suggests that the Government may revoke its approval in the event that it considers that control of critical infrastructure by a particular entity is no longer consistent with the national interest. Withdrawal of national security approval would presumably be associated with, at a minimum, a prohibition on exercising control rights and possibly even mandatory divestment.
- The new national security requirement relates to critical infrastructure. The Government



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## KEY CONTACTS

If you have any questions, or would like to know how this might affect your business, phone, or email these key contacts.



**TIM BRIGGS**  
PARTNER, LONDON

+44 20 7466 2806  
Tim.Briggs@hsf.com

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