



Government Unveils Reforms to NSIA 2021: What This Means for M&A and Investment

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On 22 July 2025, the Government announced a package of proposed reforms to the [National Security and Investment Act 2021 \(NSIA 2021\)](#), aimed at refining the UK's foreign investment screening regime. These reforms signal a positive step toward improving transparency and reducing unnecessary regulatory burden for businesses engaging in mergers, acquisitions, and internal restructures.

The government's commitment to legislate in due course will be welcomed by many in the corporate and advisory community. In particular, the announcement that certain internal reorganisations and the appointment of insolvency officeholders—such as liquidators, special administrators, and official receivers—will no longer trigger mandatory notification obligations under the NSIA is a significant development. These scenarios often fall well outside the realm of national security concerns, and their removal from the mandatory regime reflects a sensible recalibration of the law's scope. However, we await further details on the precise nature and extent of these exemptions.

In parallel, the Cabinet Office has launched a consultation on proposed changes to the NSIA 2021 (Notifiable Acquisition) (Specification of Qualifying Entities) Regulations 2021. These regulations set out the 17 sensitive sectors of the economy that are currently subject to mandatory notification. The proposed updates aim to clarify and refine the definitions of these sectors—bringing greater certainty to businesses and investors alike.

With any new legislative framework, there is always the risk of unintended consequences and transactions inadvertently getting caught. It is encouraging to see the government seeking to take a balanced approach—seeking to protect national security while recognising the need for a proportionate and predictable regulatory framework. For dealmakers, the reforms should bring much-needed clarity in an area where uncertainty leads to an overcautious approach, which neither suits the regulator nor parties to the transaction.

At Lester Aldridge, we will continue to monitor these developments closely. Businesses contemplating transactions involving sensitive sectors—or those undertaking internal reorganisations—should carefully consider the evolving NSIA landscape and seek legal advice early in the deal process.

For further information or to discuss how these changes might affect your business, please get in touch with our

[Corporate & Commercial](#) team.