
STATUTORY INSTRUMENTS

2021 No. 1262

The National Security and Investment Act 2021 (Monetary Penalties) (Turnover of a Business) Regulations 2021

Control of a business

3.—(1) For the purposes of section 41 of the Act (permitted maximum penalties), a business is to be treated as controlled by another business (“A”) where—

- (a) the business is a body corporate in which A has a controlling interest;
- (b) the business is a body corporate, and A is able to control directly or indirectly or materially to influence the policy of that body corporate without having a controlling interest in that body corporate;
- (c) the business is a partnership or an unincorporated association or group of persons, and A (whether or not A is a member of that partnership, association or group) is able to control directly or indirectly or materially to influence the policy of that partnership, association or group; or
- (d) the business is a sole trader, and A is able to control directly or indirectly or materially to influence the policy of that sole trader in carrying on the activities of the business.

(2) For the purposes of paragraph (1)(a) and (b), A has a controlling interest in a body corporate if A—

- (a) is a parent undertaking of that body corporate within the meaning of section 1162 of the Companies Act 2006⁽¹⁾; or
- (b) would be a parent undertaking of that body corporate within the meaning of that section if A were an undertaking within the meaning of section 1161 of that Act.

(3) For the purposes of paragraph (2), subsections (2)(c) and (4)(a) of section 1162 of the Companies Act 2006 are to be disregarded.

(4) For the purposes of paragraph (1)(b), (c) and (d), the Secretary of State may, having regard to all the circumstances, determine whether A is able to control directly or indirectly or materially to influence the policy of a body corporate or the policy of an individual or a partnership or an unincorporated association or group of persons in carrying on the activities of that business.

(5) References in this regulation—

- (a) to a body corporate include a body incorporated outside the United Kingdom; and
- (b) to a partnership or an unincorporated association or group of persons include a partnership or unincorporated association or group of persons formed or established, or having any members incorporated, formed or established, outside the United Kingdom.

Commencement Information

II [Reg. 3](#) in force at 4.1.2022, see [reg. 1\(1\)](#)

Changes to legislation: There are currently no known outstanding effects for the The National Security and Investment Act 2021 (Monetary Penalties) (Turnover of a Business) Regulations 2021, Section 3. (See end of Document for details)

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