



## CALL FOR EVIDENCE: INFORMATION SHARING BY THE INVESTMENT SECURITY UNIT

Issued 24 February 2023

ICAEW welcomes the opportunity to comment on the *Call for Evidence: Information sharing by the Investment Security Unit* published by BEIS Sub-Committee on National Security and Investment on 1 February 2023, a copy of which is available from this [link](#).

For questions on this response please contact our Corporate Finance team at [CFF@icaew.com](mailto:CFF@icaew.com) quoting REP15/23.

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### ICAEW

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**ANSWERS TO SPECIFIC POINTS****Q1 How, and how effectively, does the Investment Security Unit (ISU) communicate with the firms involved in transactions? How could this improve?**

1. Interactions with the ISU could be improved, or recalibrated, in the context of informal and exploratory discussions in advance of a notification and for better continuity of ISU officers on individual cases.
2. Our members report facing difficulties when attempting to engage the ISU in informal consultations or pre-notification discussion - despite **parties being encouraged to do so by the government**. The advertised openness of the ISU for consultation was reassuring for the business and advisory communities, based on the effectiveness of the consultative approach of other UK regulators. Our members' experience is that this willingness has not been evident in practice, or that pre-notification discussions are significantly extended. The government should consider giving more granular guidance for pre-consulting the ISU to better manage parties' expectations.
3. Our members believe that interactions with the ISU would be more efficient if there was a dedicated officer for individual notifications. This observation is based, again, on experience of interacting with other UK regulators. The ISU operates a **hub and spoke model** to ensure that its decisions are informed and evidenced. The communication to notifiers of outcomes or decisions of such a model would undoubtedly be more effective if coming from a single contact point at the ISU. The government should reconsider having a dedicated case officer per notification for continuity in ongoing communications.
4. The ISU could proactively plan how to ensure the current response to notifications will be maintained when, as generally expected, there is a sharp increase in notifications of restructurings and cases involving businesses in distress.
5. In the experience of our members, the ISU has so far responded to notifications by the statutory deadline. However, restructurings, particularly at the smaller business end, usually involve the timing and planning of such cases being even more accelerated and/or information less forthcoming. The ISU should prepare for how it might need to adapt so that its response to such notifications will not be unnecessarily extended. Any considerations for notifiers should be published in a Market Guidance Note.