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UK Financial Insights from Katten

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The New UK Government, Industrial Strategy and the National Security and Investment Act

By Oliver Williams, Edward Tran, Alex Potten, Omar Malek

At a meeting of business leaders and global investors in London in mid-October, Prime Minister Sir Keir Starmer told the audience that his government would "rip up" Britain's bureaucracy in a bid to unlock the "shock and awe of investment." A month prior, Sir Keir's government published its National Security and Investment Act 2021 (NSI Act) Report of scrutiny and intervention in proposed investments in or acquisitions of British companies or assets pursuant to its powers under the NSI Act, albeit containing data from a period entirely under the previous government. In this article, we consider what conclusions can be drawn from the NSI Act Report and how the powers under the NSI Act fit into a government policy that plans to cut regulatory obstacles to investment in a bid to improve the economic standing of and job prospects in the UK, whilst maintaining a hard line on national security. [Read Katten's advisory.](#)



Neil Robson Shares Thoughts on UK Government Reforms

Financial Markets and Funds Partner Neil Robson spoke with Law.com and Grip regarding potential government reforms in the works by the Labour Party following Prime Minister Keir Starmer's remarks at the International Investment Summit to encourage foreign investors to come and invest in Britain by "ripping up bureaucracy." Neil expressed his skepticism of Starmer's comments. [Read about Neil's comments.](#)

Counting Down to DORA Compliance: Recent Developments

By Nathaniel Lalone, Ciara McBrien

With less than three months remaining until the implementation date of the EU Digital Operational Resilience Act (DORA), this note highlights recent developments in the EU's efforts to facilitate firms' transition to DORA compliance by the 17 January 2025 deadline. In September 2024, the European Central Bank published a paper on the European framework for threat intelligence-based ethical red teaming (TIBER-EU framework). The Paper aims to help national competent authorities (NCAs) and financial entities (FEs) equip themselves to fulfill the threat-led penetration testing (TLPT) requirements under DORA. [Read about DORA compliance.](#)



Nathaniel Lalone Comments on Compliance Warning in the FCA's Recent Fine

Financial Markets and Funds Partner Nathaniel Lalone discusses with *Law360* the implications of the FCA issuing its largest fine for 2024 to Starling Bank Ltd. for inadequate anti-money laundering and sanctions controls. Nate says that the fine underscores the seriousness of financial sanctions screening but warns that egregious cases like Starling Bank's should not indicate that the FCA is only looking to target extreme violators. [Read about Nate's comments.](#)

FCA Consults on Guidance for UK Trade Repositories' UK EMIR Reporting Requirements

By Carolyn Jackson, Ciara McBrien

On September 4, the Financial Conduct Authority (FCA) published a website seeking feedback (Consultation) on draft questions and answers (Q&As) intended to assist UK trade repositories (TRs) registered under Article 55 of the UK European Market Infrastructure Regulation (UK EMIR) with implementing the updated reporting requirements under Article 9 of UK EMIR. The new reporting requirements will come into effect on 30 September, subject to a transitional period for certain rules. [Read about UK trade repositories reporting.](#)



Foreign Investment and National Security: Navigating Heightened Scrutiny of US, EU and UK Cross-Border Deals

By Edward Tran, Oliver Williams, Ryan Hansen, Mark Ciani, Jonathan Rotenberg, Ciara McBrien, Alex Taylor



As geopolitical tensions ratchet higher across the globe – fueled by the ongoing conflict in Ukraine, turbulent relations between China, the United States (US), and Europe, escalating conflict in the Middle East, and increased governmental efforts to promote industrial resilience through 'onshoring' and 'friendshoring' of supply chains – countries are increasingly placing national security concerns at the forefront of their trade and investment policymaking endeavors. For cross-border dealmakers, the result has been a proliferation of new and enhanced regimes for reviewing foreign direct investment (FDI) on national security grounds, with the range of

strategically important sectors and transactions subject to heightened scrutiny expanding exponentially. [Read Katten's advisory.](#)

Employment Law Changes Are Coming!

By *Brigitte Weaver, Christopher Hitchins*

Labour is introducing its flagship "Plan to Make Work Pay" in the form of the new Employment Rights Bill into Parliament today. The Government is proposing a raft of nearly 30 employment law changes, including enhancing family leave protections and, controversially, introducing unfair dismissal protection from day one of employment. When and how many of these reforms will take effect and how they will actually work in practice is not clear. 2025/2026 is currently being touted but it's not been confirmed. [Read about the key proposals that affect professional services firms.](#)



Christy Wilson Quoted by *The Times* on How a Rise in Employers' National Insurance Could Impact Workers

In an article by *The Times*, London Tax Associate Christy Wilson discusses a potential rise in employers' national insurance contributions and how the burden of this increased employer cost could be passed on to employees. As *The Times* reported, Ministers have suggested that Chancellor of the Exchequer Rachel Reeves is considering making employers pay more as one of her budget measures on October 30, with analysts stating that this increase would

"ultimately leave workers out of pocket" when employers cut pension contributions, bonuses and other workplace benefits in order to recoup the higher costs. [Read about Christy's comments.](#)

Christy Wilson Quoted by *Professional Paraplanner* on UK Autumn Budget's Potential Impacts

In an article by *Professional Paraplanner*, London Tax Associate Christy Wilson discusses potential changes that may be announced at the UK

Autumn Budget later this year, including changes to the tax-free lump sum of up to £268,275 that can currently be withdrawn from a pension pot. *Professional Paraplanner* reported that financial advisors have received an increasing number of calls from clients wanting to take out the 25 percent lump sum amount from their pension ahead of the Autumn Budget for fear of potential tax changes that will impact their financial planning and long-term goals. [Read about Christy's comments.](#)



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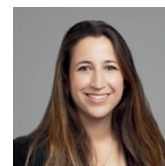
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