EXPLANATORY MEMORANDUM TO

THE NATIONAL SECURITY ACT 2023 (FOREIGN ACTIVITIES AND FOREIGN INFLUENCE REGISTRATION SCHEME: SPECIFIED PERSONS) (RUSSIA) REGULATIONS 2025

2025 No. [XXXX]

1. Introduction

1.1 This explanatory memorandum has been prepared by the Home Office and is laid before Parliament by Command of His Majesty.

1.2 This memorandum contains information for the Joint Committee on Statutory Instruments.

2. Declaration

2.1 Dan Jarvis, Minister of State for Security at the Home Office confirms that this Explanatory Memorandum meets the required standard.

2.2 The Deputy Director of the State Threats Unit at the Home Office confirms that this Explanatory Memorandum meets the required standard.

3. Contact

3.1 The Foreign Influence Registration Scheme policy team email: FIRS@homeoffice.gov.uk can be contacted with any queries regarding the instrument.

Part One: Explanation, and context, of the Instrument

4. Overview of the Instrument

What does the legislation do?

4.1 These Regulations relate to registration under the scheme in Part 4 of the National Security Act 2023 (c. 32) known as the "Foreign Influence Registration Scheme" or "FIRS". They specify a number of Russian foreign powers on what is known as the "enhanced tier" of FIRS (sections 65 to 68 of the National Security Act 2023). This means that any person (either an individual or an organisation) who is in an arrangement with any of these specified foreign powers to carry out activity in the UK will have to register this with the Secretary of State, unless they are exempt from registering.

4.2 These Regulations also specify several Russian foreign power-controlled entities on the enhanced tier of FIRS. This means that any person (either an individual or an organisation) who is in an arrangement with any of these specified persons to carry out activity in the UK will have to register this, unless they are exempt from registering. It also means that the entities will have to register any activity that they themselves carry out in the UK unless they are exempt from registering. These entities are the Federal Assembly of Russia (including both the Federation Council and the State Duma), the judiciary of Russia, the United Russia Party, the Communist Party of Russia, the Liberal Democratic Party of Russia and A Just Russia Party.

Where does the legislation extend to, and apply?

4.3 The extent of this instrument (that is, the jurisdiction(s) which the instrument forms part of the law of) is the United Kingdom.

4.4 The territorial application of this instrument (that is, where the instrument produces a practical effect) is the United Kingdom.

5. Policy Context

What is being done and why?

5.1 The National Security Act 2023 is designed to make the UK a harder target for states who seek to conduct hostile acts against the UK. It ensures the UK law enforcement and intelligence agencies have the modern tools, powers, and protections they need to tackle these threats. The Foreign Activities and Foreign Influence Registration Scheme ("FIRS"), contained within Part 4 of the National Security Act 2023 ("2023 Act"), is one of the measures which will tackle these threats and aims to increase transparency of foreign power influence over the UK democracy and provide greater assurance about the activities of specified foreign powers, and specified entities controlled by foreign powers, which pose the greatest risk to the UK. It will do this by requiring individuals or organisations to register with the Secretary of State where they form certain arrangements with foreign powers or carry out certain activities in the UK. This will therefore strengthen the integrity of UK politics and institutions and protect the UK from state threats.

5.2 The scheme itself is split into two parts: the "political influence tier" and the "enhanced tier". This memorandum relates solely to the enhanced tier which contains a power enabling the Secretary of State to specify foreign powers, or foreign power-controlled entities, where it is considered reasonably necessary to protect the safety or interests of the UK. The enhanced tier requires those being directed by a specified foreign power, or specified foreign power-controlled entities, to register relevant activities that they carry out, or arrange for others to carry out, in the UK. Unless specified otherwise in regulations, relevant activities means all activities. Specified foreign powers do not need to register relevant activity which they carry out themselves, providing they do not make a misrepresentation about their activities or the capacity in which they are acting. However, the enhanced tier does require that specified foreign power-controlled entities must register activities which they carry out themselves in the UK. This will provide a greater assurance of the activities of these specified powers and entities and deter the use of covert arrangements by them.

5.3 These Regulations specify a number of Russian foreign powers and foreign power-controlled entities on the enhanced tier of FIRS.

5.4 Russia is the most acute threat to UK security. Russia's illegal invasion of Ukraine has highlighted its intent to undermine European security. Its use of chemical weapons in Sailsbury in 2018, which resulted in the expulsion of 23 undeclared Russian intelligence officers, highlighted that the threat from Russia extends to UK soil. Furthermore, as the US and UK set out in April 2021[1], Russia's foreign influence service, the SVR, has been behind a series of cyber intrusions, including the

[1] https://www.gov.uk/government/news/russia-uk-and-us-expose-global-campaigns-of-malign-activity-by-russian-intelligence-services

extremely serious December 2020 hack of SolarWinds, the American software company.

5.5 This specification of Russia will provide greater transparency over activity in the UK directed by Russia, as well as create an additional tool to disrupt state threats activity conducted by Russia early. By making it an offence for persons to carry out unregistered activities, FIRS will enable operational partners to intervene and disrupt covert activities at an earlier stage than is currently the case. It will enable a route to prosecution against any person acting covertly at the direction of Russia if relevant arrangements are not registered, and in situations where an offence under Part 1 of the 2023 Act (espionage, sabotage and acting for a foreign power) cannot be clearly identified.

5.6 Without this instrument, it would only be necessary for people acting at the direction of Russia to conduct political influence activity in the UK to register with FIRS. While this would provide transparency of political influence carried out at the direction of Russia as a foreign power and deter their use of proxies in political influence operations, it would not provide assurance of other activity that is directed in the UK by Russia, such as research and commercial activity. Given the enhanced risk that the wider Russian regime poses to the safety or interests of the UK, it is considered necessary to have more oversight of a broader range of activity that they are directing, beyond just political influence activity.

5.7 Under section 66 (meaning of "specified person") of the 2023 Act, the Secretary of State has the power to specify a foreign power or a person (other than an individual) that they reasonably believe is controlled by a foreign power.

5.8 The Secretary of State considers it reasonably necessary to specify the entirety of the Russian executive as a foreign power for the purpose of section 32 of the 2023 Act. This includes the President of Russia in their public capacity, the Government of Russia (including any part of the Government) and all of its agencies and authorities, and the governments of all federal subjects of Russia.

5.9 The Secretary of State also considers it necessary to specify the Federal Assembly of Russia and the Russian judiciary as foreign power-controlled entities as these form a core part of the Russian state. Not specifying them would allow Russia to divert covert activity through non-specified parts of the state to avoid relevant arrangements being registered under the scheme.

5.10 The Secretary of State considers that Condition 5 as set out in Schedule 13 to the 2023 Act (the foreign power holds the right, directly or indirectly, to appoint or remove an officer of the person) is met in relation to the Federal Assembly of Russia as a foreign power (the President of Russia) has the constitutional right to, and actually does, appoint up to 30 members of the Federation Council (the upper chamber of the Federal Assembly).

5.11 Finally, these Regulations specify the United Russia party and three systemic opposition parties in Russia (the Communist Party of Russia, the Liberal Democratic Party of Russia and the A Just Russia Party). The Secretary of State considers that Condition 1 as set out in Schedule 13 (the foreign power has the right to direct or control, or actually directs or controls the person's activities (in whole or in part)) is met in relation to these parties. A foreign power (the Government of Russia) directs or controls the activities of these entities by providing financial donations in exchange for systemic opposition parties' support for the government.

5.12 The inclusion of a requirement for the Secretary of State to review the specification of Russia as a foreign power and certain Russian foreign power-controlled entities at least once every five years will ensure that the UK Government will have to consider whether it is still reasonably necessary to keep specifying the relevant foreign powers and other persons. It will also allow sufficient time to assess the impact of the specifications on the scheme and for trends to be identified in the type of activity that is being directed by Russia and the specified entities in the UK.

5.13 Section 66(5) of the 2023 Act allows for regulations to modify section 65(4) of the 2023 Act in relation to arrangements made with a specified person before the scheme comes into force (pre-commencement arrangements).

5.14 Without the regulations relating to pre-commencement arrangements, persons in arrangements with these specified persons would have to pause activity pursuant to these arrangements on the day the scheme comes into force. They would then have to register arrangements before continuing activity or risk committing an offence. The UK Government considers this would be impracticable and could have a substantial negative impact on legitimate activity. These provisions will reduce the potential of interruption of legitimate activity as those in pre-commencement arrangements with a person specified in these Regulations will have a three-month grace period to register arrangements. They will be able to continue their activity during this period, without committing an offence.

What was the previous policy, how is this different?

5.15 While this instrument relates to a brand-new scheme, which has no precedent in the UK, it aligns with wider UK Government policy of making the UK a harder operating environment for hostile activity conducted by Russia.

6. Legislative and Legal Context

How has the law changed?

6.1 Prior to this instrument, there were no foreign powers or foreign power-controlled entities specified for the purposes of the scheme. As a result of this instrument, the Russian executive and the Federal Assembly of Russia, the Russian judiciary, the United Russia Party and three of the systemic opposition parties in Russia (the Communist Party of Russia, the Liberal Democratic Party of Russia and the A Just Russia Party) will be specified for the purpose of the enhanced tier. This will mean that where a person is an arrangement with any of these specified persons, where they are being directed to conduct activity in the UK, the arrangement will need to be registered under the scheme.

6.2 The instrument will come into force when Part 4 of the 2023 Act comes into force. A separate commencement instrument will be made to bring Part 4 into force.

Why was this approach taken to change the law?

6.3 This is the only possible approach to make the necessary changes.

7. Consultation

Summary of consultation outcome and methodology

7.1 There has been no public consultation on the decision to specify Russia for the purposes of the enhanced tier. Given the nature of the threat and the Government's relationship with this country we have not deemed it appropriate to consult.

8. Applicable Guidance

8.1 Guidance on compliance with the Foreign Activities and Foreign Influence Registration Scheme is available here[2].

8.2 Further specific guidance on specified persons under the enhanced tier is available here[3].

Part Two: Impact and the Better Regulation Framework

9. Impact Assessment

9.1 A full Impact Assessment is submitted with this memorandum and published alongside the Explanatory Memorandum on the legislation.gov.uk website. This sets out that there will be some direct costs faced by businesses as a result of them having to familiarise themselves with the scheme's requirements and comply with the scheme. It also sets out that there may be some indirect impacts, such as potential damage to the UK's reputation as a welcoming place to invest, study and collaborate, deterrence against legitimate activity and diplomatic repercussions. However, there are also benefits associated with the regulation, in particular that it will provide greater assurance of the activities of the Russian state in the UK and make the UK a more challenging environment for those carrying out covert activities for Russia.

Impact on businesses, charities and voluntary bodies

9.2 The impact on business, charities or voluntary bodies is that they will need to register with the scheme where they are carrying out or arranging for someone else to carry out 'relevant activities' at the direction of Russia or a specified Russian foreign power-controlled entity. While any business, charity or voluntary body carrying out any activity in the UK at the direction of Russia will need to register, this is likely to apply to relatively few businesses, charities, and voluntary bodies overall. Also, the impact from registering with the scheme is relatively low: it is expected to take 30 minutes per registration with a unit cost per business of £9.67.

9.3 The legislation does impact small or micro businesses.

9.4 It has not been possible to exempt small and micro businesses as they are capable of being in a registerable arrangement with specified persons and excluding them from the regulatory requirements would create a loophole whereby specified persons could funnel their registerable activity within the UK through small or micro businesses as a way of avoiding scheme requirements. While the enhanced tier does add to the overall regulatory burden faced by small or micro businesses, the impact from registering with the scheme is low: it is expected to take 30 minutes per registration with a unit

[2] https://www.gov.uk/government/collections/foreign-influence-registration-scheme
[3] https://www.gov.uk/government/collections/foreign-influence-registration-scheme-specified-persons-guidance

cost per business of £9.67 for small and medium businesses, and £11.86 for micro businesses.

9.5 There is limited impact on the public sector. The UK does not need to register any arrangements with the scheme where it is being directed to carry out activity in the UK at the direction of a specified foreign power.

10. Monitoring and review

What is the approach to monitoring and reviewing this legislation?

10.1 The instrument contains provision for the Secretary of State to review and publish a report on the Regulations within five years of coming into force.

Part Three: Statements and Matters of Particular Interest to Parliament

11. Matters of special interest to Parliament

11.1 Other instruments related to the Foreign Activities and Foreign Influence Registration Scheme are being laid within a similar timeframe.

12. European Convention on Human Rights

12.1 The Minister of State for Security has made the following statement regarding Human Rights:

"In my view the provisions of The National Security Act 2023 (Foreign Activities and Foreign Influence Registration Scheme: Specified Persons) (Russia) Regulations 2025 are compatible with the Convention rights."

13. The Relevant European Union Acts

13.1 This instrument is not made under the European Union (Withdrawal) Act 2018, the European Union (Future Relationship) Act 2020 or the Retained EU Law (Revocation and Reform) Act 2023 ("relevant European Union Acts").