



## HOUSE OF COMMONS

LONDON SW1A 0AA

17<sup>th</sup> November 2023

Rt Hon Oliver Dowden, CBE, MP

Rt Hon Lucy Frazer, KC, MP

Rt Hon Kemi Badenoch, MP

### PIIN AND NSIA REVIEW


Dear Deputy Prime Minister and Secretaries of State,

We are writing to you regarding recent media speculation that investment vehicles controlled or majority-funded by the Emirati royal family may soon gain control of or material influence over two of the most important media publications in Great Britain, *The Telegraph* and *The Spectator*. They will do so by providing nearly 90% of the financing to pay off the Barclay family's debts to Lloyds Banking Group.

According to media reports, this deal is reportedly backed on a 50-50 basis by: (i) an unnamed member of the Emirati royal family (rumoured to be Sheikh Mansour bin Zayed Al Nahyan); and (ii) by RedBird IMI, an investment vehicle that is majority-funded (rumoured to be 75%) by Sheikh Mansour bin Zayed Al Nahyan through his vehicle, International Media Investments. Given the level of influence such backers could win through such a move, there is a strong case for close scrutiny by the Government under both the Enterprise Act 2002 and the National Security & Investment Act 2021.

Sheikh Mansour is the Deputy Prime Minister of the United Arab Emirates, so this offer could lead to a ruling royal family taking the publications as security for their £1.15bn funding loan, an amount which, by any sensible measure, the revenue of the publications will not be able to support.

Material influence over a quality national newspaper being passed to a foreign ruler at any time should raise concerns, but given the current geopolitical context, such a deal must be investigated. The UAE sits 145th in the 2023 International Press Freedom Index — and recently, it was reported by *The Telegraph* that a news service owned by International Media Investments has been accused of “potentially legitimising attacks” on Israeli civilians, documenting several instances of misleading reporting by *Sky News Arabia*. International Media Investments is owned by Sheikh Mansour bin Zayed Al Nahyan and is the majority-funder behind RedBird IMI.



Clearly, this represents a potential threat to press freedom in this country, and given the position of influence that these publications hold, a risk of issues pertaining to national security not being reported accurately. While the UAE is an ally of the UK, it is still important to scrutinise the degree of influence a member of a foreign government may have over such important publications which shape views of all stakeholders in the UK.

There are two potential avenues through which we believe the Government should intervene and investigate.

First, as Secretary of State of the Department for Culture, Media and Sport, you have the authority to issue a Public Interest Intervention Notice (PIIN) pursuant to Section 42 the Enterprise Act 2002. This can be issued where 'arrangements are in progress or in contemplation' that would constitute a relevant merger situation, and a public interest consideration arises. The discussions currently taking place regarding the Barclays offer to repay the outstanding debts in full (which would entitle the Barclays to regain control and potentially entitle their funders to gain material influence) means that this criteria has clearly been met.

The Barclays claim that a PIIN should not be issued as their proposed arrangements relate only to debt, not a shareholding, but guidance from the Competition & Markets Authority clearly states that financial arrangements can confer material influence. This deal — whereby the debt to Lloyds is repaid by debt from an Emirati royal and RedBird IMI, which is majority-funded by an Emirati royal — presents clear potential risks based upon the considerations listed under Section 58(2A) of the Enterprise Act 2002, the accurate presentation of the news and free expression of opinion.

Second, as Deputy Prime Minister and Secretary of State for the Cabinet Office, with responsibility for the National Security & Investment Act 2021, you have the authority to 'call-in' transactions which, if carried into effect, could jeopardise national security. This situation is clearly not subject to mandatory notification requirements, but the Act was drafted deliberately widely to confer powers to call in any qualifying transaction that you deem a risk to our national security. An individual who is a foreign ruler, or a member of a family which rules another country, having control over one of our quality national newspapers, we believe, represents such a risk.

Neither of these measures prejudice the assessment of such risks relating to the source of the Emirati funding, but would allow His Majesty's Government to assemble the right information and take the required time to review this proposed transaction appropriately. It is critical that the financing arrangements, relevant guarantees and controls, and the ultimate beneficiary, are clear and transparent to the public and the Government.

We should be proud to have a strong and independent free press in Great Britain. We cannot allow our media, and our democracy, to be undermined.



Yours,

The Rt Hon Sir John Hayes CBE MP

The Rt Hon Sir Edward Leigh MP

Neil O'Brien OBE MP

The Baroness Eaton DBE DL

Tom Hunt MP

Nick Fletcher MP