

Cyber Security and Resilience (Network and Information Systems) Bill

THIRD MARSHALLED LIST OF AMENDMENTS TO BE MOVED IN GRAND COMMITTEE

The amendments have been marshalled in accordance with the Instruction of 14th July 2026, as follows –

Clauses 1 to 22	Schedule 2
Schedule 1	Clauses 24 to 61
Clause 23	Title

[Amendments marked ★ are new or have been altered]

**Amendment
No.**

Clause 37

LORD CLEMENT-JONES

92C Clause 37, page 62, line 24, leave out subsection (7)

Member's explanatory statement

This probing amendment would remove the power for the Secretary of State to amend this Act by regulations so as to change the consultation and parliamentary scrutiny requirements applying to a code of practice. It responds to the recommendation of the Delegated Powers and Regulatory Reform Committee in its 7th Report.

After Clause 37

LORD CLEMENT-JONES

93 After Clause 37, insert the following new Clause –

“Consultation before issue of codes of practice and regulations

- (1) Before preparing, issuing, amending or revising a code of practice under this Chapter, the Secretary of State must carry out an open public consultation.

- (2) Before making regulations under section 24 or Chapter 3 of this Part, or giving a direction under Part 4 that applies to a description of regulated persons generally, the Secretary of State must carry out an open public consultation.
- (3) A consultation under this section must –
 - (a) be open to any person providing, or proposing to provide, services of a kind regulated under this Act or the NIS Regulations, and to any other interested person,
 - (b) be published in a manner that is readily accessible, including to small and medium-sized enterprises,
 - (c) last for a period of not less than eight weeks, except where the Secretary of State reasonably considers that a shorter period is justified by urgency and publishes the reasons for that decision, and
 - (d) invite representations on the likely costs, benefits and practical effects of the proposal.
- (4) The Secretary of State must publish a response to the consultation, setting out how the representations received have been taken into account, before the code of practice, regulations or direction take effect.
- (5) This section does not apply to a direction given under Part 4 in respect of a specific regulated person for national security purposes.”

Member's explanatory statement

This new clause would require an open, publicly accessible consultation before the Secretary of State issues or revises codes of practice, makes regulations, or gives directions of general application, and would require publication of a response before they take effect.

After Clause 39

LORD CLEMENT-JONES

94

After Clause 39, insert the following new Clause –

“Presumption of conformity with recognised standards

- (1) A regulated person who demonstrates compliance with a designated standard in relation to a matter is to be presumed, in relation to that matter, to have complied with the corresponding duty under this Act or the NIS Regulations to which the designated standard relates.
- (2) The Secretary of State must by regulations designate for the purposes of subsection (1) one or more internationally or nationally recognised cyber security standards or frameworks, which must include –
 - (a) the standard published as ISO/IEC 27001 (information security management systems), and
 - (b) the Cyber Essentials Plus certification scheme operated under the authority of the National Cyber Security Centre.

- (3) When designating a standard the Secretary of State must specify the duty or duties under this Act or the NIS Regulations to which the presumption in subsection (1) applies.
- (4) The presumption in subsection (1) –
 - (a) applies only to the extent that the scope of the designated standard covers the network and information systems to which the duty relates, and
 - (b) may be rebutted by a regulatory authority where it has reasonable grounds to believe that, despite compliance with the designated standard, the regulated person has not met the duty in question.
- (5) The Secretary of State must review the designated standards at least once in every three-year period and update them to reflect current best practice.”

Member's explanatory statement

This new clause would create a statutory presumption of conformity so that organisations complying with recognised gold-standard frameworks such as ISO/IEC 27001 or Cyber Essentials Plus are presumed to meet the corresponding security duties, while allowing a regulator to rebut that presumption in an individual case.

Clause 40

LORD CLEMENT-JONES
LORD ARBUTHNOT OF EDROM
LORD HOLMES OF RICHMOND

95 Clause 40, page 63, line 27, leave out “5” and insert “3”

Member's explanatory statement

This amendment would reduce the maximum interval between the Secretary of State’s reports on the operation of the legislation from five years to three years.

LORD ARBUTHNOT OF EDROM

95A Clause 40, page 63, line 27, leave out “5” and insert “2”

LORD ARBUTHNOT OF EDROM
LORD CLEMENT-JONES

95B Clause 40, page 64, line 17, at end insert –

- “(f) assess the impact of supply chain and third-party dependencies on the resilience of regulated persons, including where risks originating outside the regulatory perimeter may undermine the effectiveness of the regime.”

LORD CLEMENT-JONES

95C Clause 40, page 64, line 18, leave out subsection (5)

Member's explanatory statement

This probing amendment would remove the power for the Secretary of State to amend this Act by regulations so as to change the matters to be covered in reports on network and information systems legislation. It responds to the recommendation of the Delegated Powers and Regulatory Reform Committee in its 7th Report.

Clause 42

LORD CLEMENT-JONES

96 Clause 42, page 65, line 36, at end insert –

“(aa) which is made under section (*Office for Cyber Resilience*), or”

LORD CLEMENT-JONES

97 Clause 42, page 65, line 36, at end insert –

“(aa) which is made under section (*Presumption of conformity with recognised standards*), or”

LORD CLEMENT-JONES

98 Clause 42, page 65, line 36, at end insert –

“(aa) which is made under section (*AI Security Institute: standards, inspection and enforcement powers*), or”

After Clause 42

BARONESS NORTHOVER

99 After Clause 42, insert the following new Clause –

“Cyber security competence: functions of the UK Cyber Security Council

- (1) The UK Cyber Security Council is to exercise the functions described in subsection (2) and is accountable to the Secretary of State for the exercise of those functions.
- (2) The functions are –
 - (a) to validate and accredit professional qualifications, standards and titles for cyber security professionals employed by regulated persons,
 - (b) to monitor the supply of, and demand for, qualified cyber security professionals across the sectors regulated under this Act and the NIS Regulations, and
 - (c) to audit whether, and to what extent, regulated persons employ or have access to appropriately certified cyber security professionals.

- (3) For the purposes of this section, “regulated person” has the same meaning as in Chapter 3 (see section 30).
- (4) A regulatory authority (as defined in section 24) must have regard to the information and standards provided by the Council under this section when exercising its functions.
- (5) The Secretary of State must by regulations made by statutory instrument make further provision about the exercise of the Council’s functions under this section, including provision about its accountability for the exercise of the functions described in subsection (2).
- (6) A statutory instrument containing regulations under this section may not be made unless a draft of the instrument has been laid before and approved by a resolution of each House of Parliament.”

Member's explanatory statement

This new clause would give the UK Cyber Security Council statutory functions to validate qualifications, to monitor the supply of and demand for cyber security professionals in the areas covered by the Bill, and to audit whether regulated organisations employ certified professionals – a “competence mandate” for the regime.

BARONESS NORTHOVER

100

After Clause 42, insert the following new Clause –

“National cyber security support service for small and medium-sized enterprises

- (1) The Secretary of State must, by regulations, make provision for the establishment and operation of a national cyber security support and incident response service for relevant small and medium-sized enterprises (SMEs), for the purpose of improving the security and resilience of their network and information systems.
- (2) The service established under this section must –
 - (a) be free at the point of use, and
 - (b) provide, in particular following a cyber incident affecting a relevant SME –
 - (i) advice and technical assistance,
 - (ii) incident response support, and
 - (iii) guidance on recovery and remediation.
- (3) For the purposes of this section, a relevant SME is a small or medium-sized enterprise which is –
 - (a) an operator of an essential service,
 - (b) a relevant digital service provider,
 - (c) a relevant managed service provider, or
 - (d) a critical supplier,within the meaning of the NIS Regulations.

- (4) In establishing and operating the service the Secretary of State must have regard to comparable national cyber security support services operated in other jurisdictions.”

Member's explanatory statement

This new clause would require the Secretary of State to establish a national, free-at-the-point-of-use cyber security support and incident response service for relevant SMEs, modelled on comparable overseas services such as the small-business support provided by the Australian Cyber Security Centre.

Before Clause 43

BARONESS LLOYD OF EFFRA

- 101** Before Clause 43, insert the following new Clause —

“CHAPTER 1

FUNCTIONS UNDER PART 4

Functions under this Part

For the purposes of this Part, any reference to the Secretary of State includes a reference to the Chancellor of the Duchy of Lancaster.”

Member's explanatory statement

This amendment would ensure that the functions conferred on the Secretary of State by provisions of Part 4 would also be exercisable by the Chancellor of the Duchy of Lancaster.

BARONESS LLOYD OF EFFRA

- 102** Before Clause 43, insert the following new Clause —

“CHAPTER 2

VENDOR-RELATED DIRECTIONS ETC

Vendor-related directions

- (1) The Secretary of State may give a direction to a person (“P”) if —
 - (a) P is specified or of a description specified for the purposes of this paragraph in regulations made by the Secretary of State by statutory instrument, and
 - (b) conditions 1 and 2 are met.
- (2) A person may be specified in regulations under subsection (1)(a) only if the person, or every person of that description —
 - (a) is specified or of a description specified for the purposes of section 30(2) in regulations under section 29(1),
 - (b) carries on a Part 4 essential activity in the United Kingdom, or

- (c) provides essential goods or services.
- (3) Condition 1 is that the Secretary of State considers that a risk to national security arises or could arise as a result of the use or potential use by P, in connection with a system that is a Part 4 NIS in relation to P, of goods, services or facilities provided by another person.
- (4) Condition 2 is that the Secretary of State considers that —
 - (a) the direction is necessary having regard to that risk, and
 - (b) the requirements imposed by the direction are proportionate to what is sought to be achieved by the direction.
- (5) A direction under this section is a direction requiring P to do, or not to do, a particular thing specified in the direction with a view to eliminating, reducing or mitigating the risk to national security referred to in subsection (3).
- (6) A direction under this section may in particular impose any of the following kinds of requirement —
 - (a) a requirement relating to the management of a system that is a Part 4 NIS in relation to P;
 - (b) a requirement designed to reduce risks relating to, or to mitigate impacts on, the carrying on of a Part 4 essential activity or the provision of essential goods or services;
 - (c) a requirement relating to the provision of information, including information relating to compliance with the direction;
 - (d) a requirement in the form of a prohibition or restriction on the use of goods, services or facilities;
 - (e) a requirement in the form of a prohibition on the installation of goods or the taking up of services or facilities;
 - (f) a requirement relating to removing, disabling or modifying goods or facilities or modifying services;
 - (g) a requirement for P to appoint a person with expertise in relation to the security of network and information systems (a “skilled person”) for the purpose of assisting P to comply with the direction;
 - (h) a requirement for a thing to be done or not done in or in relation to the United Kingdom, relevant UK waters (as defined by section 41(2)) or a place other than the United Kingdom.
- (7) Before making regulations under subsection (1)(a), the Secretary of State must consult such persons as the Secretary of State considers appropriate, so far as it is reasonably practicable to do so.
- (8) Where a person is specified in regulations under subsection (1)(a), the appropriate authority must notify the person that they have been so specified.
- (9) For the purposes of subsection (8), the appropriate authority is —
 - (a) where the person is specified in reliance on subsection (2)(a), a regulatory authority in relation to the person;
 - (b) otherwise, the Secretary of State.

- (10) Regulations under subsection (1)(a) may make different provision for different purposes.
- (11) A statutory instrument containing regulations under subsection (1)(a) may not be made unless a draft of the instrument has been laid before and approved by a resolution of each House of Parliament (but see section (*Regulations under section (Vendor-related directions)(1)(a) or 43(1A)(b): procedure in urgent cases*) for further provision about the making of such an instrument in cases of urgency)."

Member's explanatory statement

This amendment would enable directions to be given where the Secretary of State considers risks to national security could arise from the use of goods, services or facilities in connection with network and information systems linked to essential activities or the provision of essential goods or services.

BARONESS LLOYD OF EFFRA

103

Before Clause 43, insert the following new Clause —

“Further provision about giving of vendor-related directions

- (1) It does not matter for the purposes of section (*Vendor-related directions*) whether or not —
 - (a) the risk to national security referred to in section (*Vendor-related directions*)(3) relates to the carrying on of a Part 4 essential activity or the provision of essential goods or services;
 - (b) the person referred to in section (*Vendor-related directions*)(3) by whom goods, services or facilities are provided (“the vendor”) is established in the United Kingdom;
 - (c) the goods, services or facilities provided by the vendor are provided from within or outside the United Kingdom;
 - (d) the use or proposed use of goods, services or facilities is within the United Kingdom.
- (2) A direction under section (*Vendor-related directions*) must specify —
 - (a) the person to which the direction is given;
 - (b) the vendor to which the direction relates;
 - (c) the goods, services or facilities to which the direction relates;
 - (d) the reasons for the direction, except if or to the extent that the Secretary of State considers that it would be contrary to the interests of national security to do so;
 - (e) the time at which the direction comes into force;
 - (f) in relation to each requirement imposed by the direction that requires a thing to be done, a reasonable period within which the requirement must be complied with.
- (3) A person to which a direction is given under section (*Vendor-related directions*) must comply with it.

- (4) A person to which a direction is given under section (*Vendor-related directions*) (“P”) –
 - (a) must obtain the written approval of the Secretary of State before appointing a skilled person for the purpose of assisting P to comply with the direction (whether or not in pursuance of a requirement imposed by virtue of section (*Vendor-related directions*)(6)(g));
 - (b) must notify the Secretary of State as soon as reasonably practicable after appointing a skilled person (whether or not in pursuance of such a requirement).
- (5) For the purposes of giving approval as required by subsection (4)(a), the Secretary of State may rely on a list of persons published by the Government Communications Headquarters.
- (6) Before giving a direction under section (*Vendor-related directions*) to a person, the Secretary of State must consult –
 - (a) that person,
 - (b) the vendor to which the direction relates, and
 - (c) such other persons as the Secretary of State considers it appropriate to consult,so far as it is reasonably practicable to do so.
- (7) The duty under subsection (6) does not apply if or to the extent that the Secretary of State considers that compliance with the duty would be contrary to the interests of national security.
- (8) The Secretary of State may require –
 - (a) a person to which a direction is given under section (*Vendor-related directions*) not to disclose, in whole or in part, the existence of the direction and the contents of the direction without the permission of the Secretary of State;
 - (b) a person consulted under subsection (6) not to disclose, in whole or in part, the existence of the consultation and any information disclosed to the person in the consultation without the permission of the Secretary of State.
- (9) The Secretary of State may not impose a requirement under subsection (8) unless the Secretary of State considers that the requirement is necessary and proportionate in the interests of national security.”

Member's explanatory statement

This amendment would make provision about a direction given under my new Clause (Vendor-related directions), including provision about the content of the direction, the consultation requirements that apply, and non-disclosure requirements that may be imposed.

BARONESS LLOYD OF EFFRA

104 Before Clause 43, insert the following new Clause —

“Power to make regulations about time frame for giving vendor-related directions

- (1) The Secretary of State may by regulations made by statutory instrument make provision about the time frame for determining whether to give a direction under section (*Vendor-related directions*) (whether on a referral by a person specified or of a description specified in regulations under subsection (1)(a) of that section or otherwise).
- (2) The provision that may be made by regulations under subsection (1) includes, in particular, provision —
 - (a) about the period for making the decision;
 - (b) enabling the Secretary of State to extend or pause the period in circumstances specified or described in the regulations.
- (3) Regulations under subsection (1) may —
 - (a) make different provision for different purposes;
 - (b) make provision subject to exceptions;
 - (c) make consequential, supplementary, incidental, transitional or saving provision;
 - (d) confer functions involving the exercise of a discretion.
- (4) A statutory instrument containing regulations under subsection (1) is subject to annulment in pursuance of a resolution of either House of Parliament.”

Member's explanatory statement

This amendment would enable the Secretary of State to make regulations setting out the time frame for a decision whether or not to give a direction under my new Clause (Vendor-related directions).

BARONESS LLOYD OF EFFRA

105 Before Clause 43, insert the following new Clause —

“Power to establish mandatory referral scheme

- (1) The Secretary of State may by regulations made by statutory instrument make provision for the establishment and operation of a mandatory referral scheme.
- (2) A “mandatory referral scheme” is a scheme which, for the purpose of enabling the Secretary of State to determine whether to give a direction under section (*Vendor-related directions*) in respect of a qualifying transaction, requires a person specified or of a description specified in regulations under section (*Vendor-related directions*)(1)(a) to refer the transaction to the Secretary of State.
- (3) The Secretary of State may make regulations under this section establishing a mandatory referral scheme only if the Secretary of State considers that the

establishment of such a scheme is necessary or expedient in the interests of national security.

- (4) “Qualifying transaction” has the meaning given by regulations under this section.
- (5) Provision made by virtue of subsection (4) may define “qualifying transaction” by reference to criteria set out in the regulations, which may, for example, be framed by reference to—
 - (a) the nature of a transaction,
 - (b) the value of a transaction,
 - (c) whether or not a transaction is critical to the carrying on of a Part 4 essential activity or the provision of essential goods or services, or
 - (d) the identity of the vendor in relation to a transaction.
- (6) Regulations under this section may make provision about—
 - (a) when a person is required to make a referral;
 - (b) the procedure for making a referral;
 - (c) information to be provided in connection with a referral;
 - (d) monitoring of compliance with requirements imposed by the regulations;
 - (e) enforcement of compliance with requirements imposed by the regulations.
- (7) The provision that may be made by virtue of subsection (6)(d) and (e) includes provision applying (with or without modifications) any provision made by sections 45 to 52.
- (8) Before making regulations under this section, the Secretary of State must consult such persons as the Secretary of State considers appropriate, so far as it is reasonably practicable to do so.
- (9) Regulations under this section may—
 - (a) make different provision for different purposes;
 - (b) make different provision for different areas;
 - (c) make provision subject to exceptions;
 - (d) require a person to have regard to guidance;
 - (e) make consequential, supplementary, incidental, transitional or saving provision.
- (10) A statutory instrument containing regulations under this section may not be made unless a draft of the instrument has been laid before and approved by a resolution of each House of Parliament.
- (11) References in this section to a transaction include references to a proposed transaction.”

Member's explanatory statement

This amendment would enable the Secretary of State to establish a scheme under which persons to which directions may be given under my new Clause (Vendor-related directions) are required to refer transactions meeting specified conditions to the Secretary of State for a decision whether to give such a direction.

Clause 43

BARONESS LLOYD OF EFFRA

- 106 Clause 43, page 66, line 8, leave out “regulated person” and insert “person within subsection (1A)”

Member's explanatory statement

This amendment and my amendment to Clause 43 at page 66, line 14 would enable directions under the Clause to be given to persons other than regulated persons, if the Secretary of State considers that they carry on essential activities or provide essential goods or services.

BARONESS LLOYD OF EFFRA

- 107 Clause 43, page 66, line 11, leave out “relevant network and information system” and insert “system that is a Part 4 NIS in relation to the person”

Member's explanatory statement

This is a drafting amendment.

BARONESS LLOYD OF EFFRA

- 108 Clause 43, page 66, line 14, at end insert –

- “(1A) A person is within this subsection if the person –
- (a) is specified or of a description specified for the purposes of section 30(2) in regulations under section 29(1), or
 - (b) is specified or of a description specified for the purposes of this paragraph in regulations made by the Secretary of State by statutory instrument.
- (1B) A person may be specified in regulations under subsection (1A)(b) only if the person, or every person of that description –
- (a) carries on a Part 4 essential activity in the United Kingdom, or
 - (b) provides essential goods or services.”

Member's explanatory statement

See the explanatory statement for my amendment to Clause 43 at page 66, line 8.

BARONESS LLOYD OF EFFRA

- 109 Clause 43, page 66, line 16, at end insert “with a view to eliminating, reducing or mitigating the risk to national security referred to in subsection (1)(a)”

Member's explanatory statement

This amendment would set out the purpose of a direction under Clause 43.

BARONESS LLOYD OF EFFRA

- 110** Clause 43, page 66, line 19, leave out “relevant network and information systems” and insert “a system that is a Part 4 NIS in relation to the person to which the direction is given”

Member's explanatory statement

This is a drafting amendment.

BARONESS LLOYD OF EFFRA

- 111** Clause 43, page 66, line 22, leave out “an” and insert “a Part 4”

Member's explanatory statement

This is a drafting amendment.

BARONESS LLOYD OF EFFRA

- 112** Clause 43, page 66, line 23, leave out “an activity-critical supply” and insert “essential goods or services”

Member's explanatory statement

This is a drafting amendment.

BARONESS LLOYD OF EFFRA

- 113** Clause 43, page 66, line 38, at end insert —

“(3A) Before making regulations under subsection (1A)(b), the Secretary of State must consult such persons as the Secretary of State considers appropriate, so far as it is reasonably practicable to do so.

(3B) Where a person is specified in regulations under subsection (1A)(b), the Secretary of State must notify the person that they have been so specified.”

Member's explanatory statement

This amendment is consequential on my amendment to Clause 43 at page 66, line 14, and imposes consultation and notification duties in relation to the regulations.

LORD HOLMES OF RICHMOND

- 114** Clause 43, page 66, line 38, at end insert —

“(3A) The Secretary of State must by regulations made by statutory instrument define what conditions must be met for a person to be considered to have expertise in relation to the security of network and information systems for the purpose of paragraph (3)(g).

- (3B) A statutory instrument containing regulations under subsection (3A) is subject to annulment in pursuance of a resolution of either House of Parliament.”

Member's explanatory statement

This amendment would require the Secretary of State to further define the expertise required by a “skilled person” whom an organisation may be required to appoint under this section.

BARONESS LLOYD OF EFFRA

- 115** Clause 43, page 67, line 2, leave out “an” and insert “a Part 4”

Member's explanatory statement

This is a drafting amendment.

BARONESS LLOYD OF EFFRA

- 116** Clause 43, page 67, line 3, leave out “an activity-critical supply” and insert “essential goods or services”

Member's explanatory statement

This is a drafting amendment.

BARONESS LLOYD OF EFFRA

- 117** Clause 43, page 67, line 42, at end insert –

“(13) Regulations under subsection (1A)(b) may make different provision for different purposes.

(14) A statutory instrument containing regulations under subsection (1A)(b) may not be made unless a draft of the instrument has been laid before and approved by a resolution of each House of Parliament (but see section (Regulations under section (Vendor-related directions)(1)(a) or 43(1A)(b): procedure in urgent cases) for further provision about the making of such an instrument in cases of urgency).”

Member's explanatory statement

This amendment is consequential on my amendment to Clause 43 at page 66, line 14, and would make further provision about the regulations.

Clause 44

BARONESS LLOYD OF EFFRA

- 118** Clause 44, page 68, line 4, leave out “regulated person” and insert “person to which a relevant direction has been given”

Member's explanatory statement

This amendment and my other amendments to Clause 44 would apply this clause to directions under my new Clause (Vendor-related directions), as well as to directions under Clause 43, and make associated drafting changes.

BARONESS LLOYD OF EFFRA

- 119** Clause 44, page 68, line 5, leave out “direction given to the person under section 43” and insert “relevant direction given to the person”

Member's explanatory statement

See the explanatory statement to my amendment to Clause 44 at page 68, line 4.

BARONESS LLOYD OF EFFRA

- 120** Clause 44, page 68, line 10, leave out “duty of the regulated person” and insert “person’s duty”

Member's explanatory statement

See the explanatory statement to my amendment to Clause 44 at page 68, line 4.

BARONESS LLOYD OF EFFRA

- 121** Clause 44, page 68, line 14, leave out “regulated”

Member's explanatory statement

See the explanatory statement to my amendment to Clause 44 at page 68, line 4.

BARONESS LLOYD OF EFFRA

- 122** Clause 44, page 68, line 18, leave out “regulated person” and insert “person to which the relevant direction has been given”

Member's explanatory statement

See the explanatory statement to my amendment to Clause 44 at page 68, line 4.

BARONESS LLOYD OF EFFRA

- 123** Clause 44, page 68, line 24, after “varies the” insert “relevant”

Member's explanatory statement

See the explanatory statement to my amendment to Clause 44 at page 68, line 4.

BARONESS LLOYD OF EFFRA

- 124** Clause 44, page 68, line 26, after “the” insert “relevant”

Member's explanatory statement

See the explanatory statement to my amendment to Clause 44 at page 68, line 4.

BARONESS LLOYD OF EFFRA

- 125 Clause 44, page 68, line 29, leave out “the regulated person” and insert “—
(i) the person to which the relevant direction has been given,”

Member's explanatory statement

See the explanatory statement to my amendment to Clause 44 at page 68, line 4.

BARONESS LLOYD OF EFFRA

- 126 Clause 44, page 68, line 33, at end insert —
““relevant direction” means a direction under section (*Vendor-related directions*) or 43.”

Member's explanatory statement

See the explanatory statement to my amendment to Clause 44 at page 68, line 4.

After Clause 44

BARONESS LLOYD OF EFFRA

- 127 After Clause 44, insert the following new Clause —
- “Regulations under section (*Vendor-related directions*)(1)(a) or 43(1A)(b):
procedure in urgent cases**
- (1) A statutory instrument containing regulations under section (*Vendor-related directions*)(1)(a) or 43(1A)(b) may be made without a draft of the instrument being laid before and approved by a resolution of each House of Parliament if it contains a declaration that the Secretary of State considers that, by reason of urgency, it is necessary to make the regulations without a draft being so laid and approved.
 - (2) After an instrument is made in accordance with subsection (1), it must be laid before each House of Parliament.
 - (3) Regulations contained in an instrument made in accordance with subsection (1) cease to have effect at the end of the period of 28 days beginning with the day on which the instrument is made unless, during that period, the instrument is approved by a resolution of each House of Parliament.
 - (4) In calculating the period of 28 days, no account is to be taken of any time during which—
 - (a) Parliament is dissolved or prorogued, or
 - (b) either House of Parliament is adjourned for more than four days.
 - (5) If regulations cease to have effect as a result of subsection (3), that does not—

- (a) affect the validity of anything previously done under the regulations, or
- (b) prevent the making of new regulations.”

Member's explanatory statement

This amendment would set out the Parliamentary procedure that would apply to regulations under my new Clause (Vendor-related directions) and under Clause 43 in cases of urgency.

Clause 45

BARONESS LLOYD OF EFFRA

- 128** Clause 45, page 68, line 38, after “section” insert “(Vendor-related directions) or”

Member's explanatory statement

This amendment and my other amendment to Clause 45 are consequential on my new Clause (Vendor-related directions), and would enable the Secretary of State to direct a regulatory authority to monitor compliance with a direction given under that new Clause.

BARONESS LLOYD OF EFFRA

- 129** Clause 45, page 69, line 8, after “section” insert “(Vendor-related directions) or”

Member's explanatory statement

See the explanatory statement to my other amendment to Clause 45.

Clause 47

BARONESS LLOYD OF EFFRA

- 130** Clause 47, page 71, line 24, after “section” insert “(Vendor-related directions) or”

Member's explanatory statement

This amendment is consequential on my new Clause (Vendor-related directions) and would enable an inspection to be carried out to verify compliance with a direction given under that new Clause.

BARONESS LLOYD OF EFFRA

- 131** Clause 47, page 71, line 27, at end insert —

““the affected person” means —

- (a) where the inspection relates to a direction under section (Vendor-related directions) or 43, the person to which the direction was given;
- (b) where the inspection relates to a confirmation decision under section 50, the person to which the decision is given.”

Member's explanatory statement

This amendment and various of my other amendments to Clause 47 are drafting changes that are consequential on my new Clause (Vendor-related directions) and on my amendments to Clause 43.

BARONESS LLOYD OF EFFRA

- 132** Clause 47, page 71, line 33, leave out “a regulated” and insert “the affected”

Member's explanatory statement

See the explanatory statement to my amendment to Clause 47 at page 71, line 27.

BARONESS LLOYD OF EFFRA

- 133** Clause 47, page 72, line 1, leave out “a regulated” and insert “the affected”

Member's explanatory statement

See the explanatory statement to my amendment to Clause 47 at page 71, line 27.

BARONESS LLOYD OF EFFRA

- 134** Clause 47, page 72, line 3, leave out “regulated” and insert “affected”

Member's explanatory statement

See the explanatory statement to my amendment to Clause 47 at page 71, line 27.

BARONESS LLOYD OF EFFRA

- 135** Clause 47, page 72, line 20, leave out “regulated person to which the inspection relates” and insert “affected person”

Member's explanatory statement

See the explanatory statement to my amendment to Clause 47 at page 71, line 27.

BARONESS LLOYD OF EFFRA

- 136** Clause 47, page 72, line 23, leave out “a regulated” and insert “the affected”

Member's explanatory statement

See the explanatory statement to my amendment to Clause 47 at page 71, line 27.

BARONESS LLOYD OF EFFRA

- 137** Clause 47, page 72, line 33, leave out “regulated” and insert “affected”

Member's explanatory statement

See the explanatory statement to my amendment to Clause 47 at page 71, line 27.

BARONESS LLOYD OF EFFRA

- 138** Clause 47, page 72, line 36, leave out “regulated” and insert “affected”

Member's explanatory statement

See the explanatory statement to my amendment to Clause 47 at page 71, line 27.

BARONESS LLOYD OF EFFRA

- 139** Clause 47, page 73, line 1, leave out “regulated” and insert “affected”

Member's explanatory statement

See the explanatory statement to my amendment to Clause 47 at page 71, line 27.

Clause 48

BARONESS LLOYD OF EFFRA

- 140** Clause 48, page 73, line 23, after “section” insert “(Vendor-related directions) or”

Member's explanatory statement

This amendment is consequential on my new Clause (Vendor-related directions), and would enable a notification of contravention to be given in relation to a requirement in a direction under that new Clause, or a related requirement.

BARONESS LLOYD OF EFFRA

- 141** Clause 48, page 73, line 24, after “section” insert “(Further provision about giving of vendor-related directions)(4)(a) or”

Member's explanatory statement

This amendment is consequential on my new Clause (Further provision about giving of vendor-related directions), and would enable a notification of contravention to be given in relation to a requirement to obtain approval before appointing a skilled person in relation to a direction given under the new Clause (Vendor-related directions).

Clause 49

BARONESS LLOYD OF EFFRA

- 142** Clause 49, page 75, line 8, after first “section” insert “(Vendor-related directions) or”

Member's explanatory statement

This amendment and my first amendment to Clause 49 at page 75, line 25 are consequential on my new Clause (Vendor-related directions), and would apply the penalty provisions to a failure to comply with a requirement in a direction under that Clause, or a related requirement.

BARONESS LLOYD OF EFFRA

- 143** Clause 49, page 75, line 8, after second “section” insert “(Further provision about giving of vendor-related directions)(4)(a) or”

Member's explanatory statement

This amendment and my second amendment to Clause 49 at page 75, line 25 are consequential on my new Clause (Further provision about giving of vendor-related directions), and would apply the penalty provisions to a failure to obtain approval before appointing a skilled person.

BARONESS LLOYD OF EFFRA

- 144** Clause 49, page 75, line 18, leave out “regulated”

Member's explanatory statement

This amendment and my amendment to Clause 49 at page 75, line 26 are consequential on my amendments to Clause 47 at page 71, line 33, at page 72, line 1, and at page 72, line 3.

BARONESS LLOYD OF EFFRA

- 145** Clause 49, page 75, line 25, after first “section” insert “(Vendor-related directions) or”

Member's explanatory statement

See the explanatory statement to my first amendment to Clause 49 at page 75, line 8.

BARONESS LLOYD OF EFFRA

- 146** Clause 49, page 75, line 25, after second “section” insert “(Further provision about giving of vendor-related directions)(4)(a) or”

Member's explanatory statement

See the explanatory statement to my second amendment to Clause 49 at page 75, line 8.

BARONESS LLOYD OF EFFRA

- 147** Clause 49, page 75, line 26, leave out “regulated”

Member's explanatory statement

See the explanatory statement to my amendment to Clause 49 at page 75, line 18.

Clause 52

BARONESS LLOYD OF EFFRA

- 148 Clause 52, page 78, line 24, after “section” insert “(Further provision about giving of vendor-related directions)(8),”

Member's explanatory statement

This amendment is consequential on my new Clause (Further provision about giving of vendor-related directions), and would enable Clause 52 (enforcement of non-disclosure requirements) to apply in relation to a non-disclosure requirement imposed under that new Clause.

After Clause 52

LORD CLEMENT-JONES

- 148A After Clause 52, insert the following new Clause –

“Appeals against decisions under section 50

- (1) A person may appeal to the Upper Tribunal against –
 - (a) a confirmation decision given to the person under section 50;
 - (b) a decision under section 50 to require the person to pay a penalty;
 - (c) the amount of a penalty which the person is required to pay under section 50.
- (2) An appeal under this section must be brought before the end of the period of 28 days beginning with the day on which notice of the decision appealed against was given to the person, or within such longer period as the Upper Tribunal may allow.
- (3) The Upper Tribunal must determine an appeal under this section on the merits and by reference to the matters before it, and not by applying the principles that would be applied by a court on an application for judicial review.
- (4) On an appeal under this section the Upper Tribunal may –
 - (a) confirm, vary or cancel the decision appealed against,
 - (b) substitute for that decision any decision that the Secretary of State could have made, or
 - (c) remit the matter to the Secretary of State with such directions as the Upper Tribunal considers appropriate.
- (5) Where an appeal is brought under subsection (1)(b) or (c), the requirement to pay the penalty is suspended until the appeal is determined, withdrawn or abandoned.
- (6) Tribunal Procedure Rules must make provision, for the purposes of proceedings under this section, about –
 - (a) securing that information is not disclosed where disclosure would be contrary to the interests of national security,

- (b) the holding of proceedings, or of parts of proceedings, in the absence of a party or a party's legal representative, and
- (c) the appointment of a person to represent the interests of a party in proceedings, or parts of proceedings, from which that party and that party's legal representative are excluded.

(7) Nothing in this section affects any right to apply for judicial review."

Member's explanatory statement

This new clause would provide a right of appeal to the Upper Tribunal, on the merits, against a confirmation decision or a financial penalty imposed under section 50, with provision for the protection of national security material. It implements the recommendation of the Constitution Committee in its 3rd Report.

Clause 54

BARONESS LLOYD OF EFFRA

149 Clause 54, page 80, line 26, after "section" insert "(Vendor-related directions),"

Member's explanatory statement

This amendment and my other amendment to Clause 54 are consequential on my new Clause (Vendor-related directions), and would apply the provisions on review, variation and revocations of directions to directions under that new Clause.

BARONESS LLOYD OF EFFRA

150 Clause 54, page 81, line 5, after "section" insert "(Vendor-related directions) or"

Member's explanatory statement

See the explanatory statement to my other amendment to Clause 54.

After Clause 54

BARONESS LLOYD OF EFFRA

151 After Clause 54, insert the following new Clause —

"Publication of notice of direction under section (Vendor-related directions) etc

- (1) Subject to subsection (3), the Secretary of State must publish, in such manner as the Secretary of State considers appropriate, notice of the fact that —
 - (a) a direction under section (Vendor-related directions) has been given, or
 - (b) such a direction has been varied or revoked under section 54.
- (2) The notice under subsection (1) must be published as soon as practicable and must —
 - (a) state when the direction, variation or revocation comes into force,

- (b) state the person to which the direction, variation or revocation has been given,
 - (c) include a summary of the direction, variation or revocation, its effect and the reasons for it, and
 - (d) include any other information that the Secretary of State considers it appropriate to include.
- (3) The Secretary of State may exclude from the notice under subsection (1) anything the publication of which the Secretary of State considers –
 - (a) might harm the commercial interests of any person to an unreasonable degree, or
 - (b) would be contrary to the interests of national security.”

Member's explanatory statement

This amendment would require the Secretary of State to publish notice of the giving, variation or revocation of a direction under my new Clause (Vendor-related directions).

BARONESS LLOYD OF EFFRA

152 After Clause 54, insert the following new Clause –

“Annual report in relation to directions under section (*Vendor-related directions*)

- (1) The Secretary of State must, in relation to each relevant period –
 - (a) prepare a report in accordance with this section, and
 - (b) lay a copy of it before each House of Parliament as soon as practicable after the end of that period.
- (2) Each report must provide details of –
 - (a) the number of directions given under section (*Vendor-related directions*) during the relevant period,
 - (b) the kinds of services provided by persons to which directions under section (*Vendor-related directions*) were given during the relevant period (including, where relevant, the sectors in which the services are provided),
 - (c) the number of directions under section (*Vendor-related directions*) that have been varied during the relevant period, and
 - (d) the number of directions under section (*Vendor-related directions*) that have been revoked during the relevant period.
- (3) “Relevant period” means –
 - (a) the period of 12 months beginning with the day on which section (*Vendor-related directions*)(1) comes into force for any purpose other than the purpose of making regulations;
 - (b) each subsequent period of 12 months.”

Member's explanatory statement

This amendment would require the Secretary of State to produce and lay before Parliament an annual report in relation to directions given under my new Clause (Vendor-related directions).

VISCOUNT CAMROSE
LORD MARKHAM
LORD HOLMES OF RICHMOND
As an amendment to Amendment 152

153 After subsection (2)(d) insert—

- “(e) how many, and which, directions under section (*Vendor-related directions*) were the result of mandatory referral schemes established under section (*Power to establish mandatory referral scheme*), and
- (f) the reason that directions under section (*Vendor-related directions*) resulting from mandatory referral schemes established under section (*Power to establish mandatory referral scheme*) were given.”

Member's explanatory statement

This amendment seeks to probe whether mandatory referral schemes will be included in the annual report, whether they will be identified as a unique category, and whether the reason for the referral will be made public.

Clause 55

BARONESS LLOYD OF EFFRA

154 Clause 55, page 81, line 26, at end insert “in respect of a direction under section 43 or 53”

Member's explanatory statement

*This amendment is consequential on various of my other amendments, and would ensure that a notice of variation relating to a direction under my new Clause (*Vendor-related directions*) does not have to be laid before Parliament.*

Clause 58

BARONESS LLOYD OF EFFRA

155 Clause 58, page 84, leave out lines 19 and 20

Member's explanatory statement

This is a drafting amendment (the definition being left out would be replaced by the definition of “essential goods or services” which would be inserted by my amendment to Clause 58 at page 84, line 23).

BARONESS LLOYD OF EFFRA

156 Clause 58, page 84, leave out lines 21 to 23

Member's explanatory statement

This is a drafting amendment (the definition being left out would be replaced by the definition of “Part 4 essential activity” which would be inserted by my amendment to Clause 58 at page 84, line 26).

BARONESS LLOYD OF EFFRA

157 Clause 58, page 84, line 23, at end insert —

““essential goods or services” means goods or services without the provision of which the carrying on of a Part 4 essential activity would be at risk of disruption;”

Member's explanatory statement

This amendment would insert a definition used throughout my other amendments to Part 4.

BARONESS LLOYD OF EFFRA

158 Clause 58, page 84, line 26, at end insert —

““Part 4 essential activity” means an activity the carrying on of which the Secretary of State considers to be essential to —

- (a) the economy of the United Kingdom or any part of the United Kingdom, or
- (b) the day-to-day functioning of society in the United Kingdom or any part of the United Kingdom;”

Member's explanatory statement

This amendment would insert a definition used throughout my other amendments to Part 4.

BARONESS LLOYD OF EFFRA

159 Clause 58, page 84, line 26, at end insert —

““Part 4 NIS” , in relation to a person, means a network and information system that is —

- (a) used or relied on by the person in connection with the carrying on of a Part 4 essential activity or the provision of essential goods or services, or
- (b) associated with a system mentioned in paragraph (a) (and section 29(4) (meaning of “associated”) applies for the purposes of this paragraph as it applies for the purposes of section 29(3));”

Member's explanatory statement

This amendment would insert a definition used throughout my other amendments to Part 4.

BARONESS LLOYD OF EFFRA

160 Clause 58, page 84, line 28, after “30(2)” insert “and (5)”

Member's explanatory statement

This is a drafting amendment.

BARONESS LLOYD OF EFFRA

161 Clause 58, page 84, leave out lines 32 and 33

Member's explanatory statement

This is a drafting amendment (the definition being left out would be replaced by the definition of "Part 4 NIS" which would be inserted by my amendment to Clause 58 at page 84, line 26).

BARONESS LLOYD OF EFFRA

162 Clause 58, page 84, line 34, leave out from "compromise"" to end of line 35 and insert "in relation to a network and information system, means—

- (a) anything that compromises the security, availability, functionality or reliability of the system,
- (b) any unauthorised access to, interference with or exploitation of the system or anything which enables such access, interference or exploitation,
- (c) anything that compromises the confidentiality, authenticity, integrity or availability of data stored on or processed, received or transmitted by the system, or
- (d) anything that causes data stored on or processed by the system to be lost."

Member's explanatory statement

This is a drafting amendment (it would replicate the definition in Part 3 rather than cross-referring to it).

BARONESS LLOYD OF EFFRA

163 Clause 58, page 84, line 35, at end insert—

"(2) For the purposes of this Part—

- (a) a reference to the carrying on of an activity includes a reference to the provision of a service;
- (b) a reference to a person specified or of a description specified for the purposes of section 30(2) includes a reference to a person treated by section 30(5) as having been so specified."

Member's explanatory statement

This amendment would make provision about the interpretation of certain expressions in Part 4.

After Clause 58

LORD CLEMENT-JONES
LORD ARBUTHNOT OF EDROM
LORD HOLMES OF RICHMOND
BARONESS FINLAY OF LLANDAFF

164 After Clause 58, insert the following new Clause—

“Computer Misuse Act 1990: statutory defence for cyber security activities

- (1) The Secretary of State must, within 12 months of the day on which this Act is passed, carry out and publish a review of whether the introduction of a statutory defence under section 1 of the Computer Misuse Act 1990 (unauthorised access to computer material) for persons carrying on legitimate cyber security activities is necessary or desirable to improve the security and resilience of network and information systems used or relied on in connection with the carrying on of essential activities.
- (2) The review under subsection (1) must consider, in particular—
 - (a) the position of cyber security researchers, vulnerability testers and threat-intelligence practitioners acting in good faith,
 - (b) the conditions and safeguards (including as to authorisation, proportionality and reporting) that any such defence should contain, and
 - (c) the approaches taken in other jurisdictions.
- (3) On concluding the review, the Secretary of State must lay before Parliament a report which sets out—
 - (a) the findings and conclusions of the review, and
 - (b) whether the Secretary of State intends to bring forward proposals for such a statutory defence, and, if so, the intended timetable for doing so.”

Member's explanatory statement

This new clause seeks to place a statutory duty on the Secretary of State to review, within 12 months, whether a statutory defence under section 1 of the Computer Misuse Act 1990 for good-faith cyber security researchers and vulnerability testing is needed to improve the UK's cyber resilience, and to report to Parliament.

LORD CLEMENT-JONES

165 After Clause 58, insert the following new Clause—

“Annual report on incident volumes

- (1) The Secretary of State must, for each calendar year, prepare and lay before Parliament a report on the volume of incidents reported under the NIS Regulations and under regulations made under this Act during that year.
- (2) A report under this section must include, so far as is consistent with national security—

- (a) the number of incidents reported, broken down by regulated sector and subsector,
 - (b) the number of incidents reported by each description of regulated person,
 - (c) the number of incidents that were significant incidents, and
 - (d) a summary of the principal types and causes of the incidents reported.
- (3) A report under this section must be laid before Parliament within four months of the end of the calendar year to which it relates.
- (4) This section does not require the disclosure of information which would, in the opinion of the Secretary of State, be prejudicial to national security or which would identify a particular regulated person without its consent.”

Member's explanatory statement

This new clause would require the Secretary of State to report annually on the number and principal types of cyber incidents reported under the regime, complementing the three-yearly review of the legislation provided for by Lord Clement-Jones' amendment to clause 40.

BARONESS LUDFORD

166 After Clause 58, insert the following new Clause –

“Digital Sovereignty Strategy

- (1) The Secretary of State must, within 12 months of the day on which this Act is passed, publish a strategy (“the Digital Sovereignty Strategy”) setting out the Government’s approach to maintaining the security and resilience of relevant network and information systems by assessing, managing and mitigating risks –
 - (a) associated with foreign interference, and
 - (b) arising from reliance on foreign-supplied technologies.
- (2) The Digital Sovereignty Strategy must –
 - (a) include risks associated with –
 - (i) hardware,
 - (ii) software,
 - (iii) supply chains, and
 - (iv) procurement processes;
 - (b) include a specific focus on the security and resilience of government digital procurement, detailing how the Government intends to reduce strategic dependencies on foreign-owned suppliers and on the hardware and software of hostile states so as to mitigate the risk of systemic disruption;
 - (c) include a commitment to prioritise, where appropriate, the use of secure technologies developed in the United Kingdom by United Kingdom organisations in relevant network and information systems;
 - (d) set out how the Government intends to address any risks identified under subsection (1), including by supporting the use of sovereign and domestic technologies or systems.

- (3) The Secretary of State must review and, if necessary, revise the Digital Sovereignty Strategy at least once in every three-year period.
- (4) For the purposes of this section, a “relevant network and information system” is a network and information system belonging to –
 - (a) an operator of an essential service,
 - (b) a relevant digital service provider,
 - (c) a relevant managed service provider, or
 - (d) a critical supplier,within the meaning of the NIS Regulations.”

Member's explanatory statement

This new clause would require the Government to publish, within 12 months, a Digital Sovereignty Strategy addressing risks from foreign interference and reliance on foreign technologies, with a specific focus on reforming government digital procurement to prioritise secure, sovereign and home-grown UK technology.

BARONESS LUDFORD
LORD ARBUTHNOT OF EDROM

167 After Clause 58, insert the following new Clause –

“Board oversight and accountability: security and resilience of network and information systems

- (1) Where a relevant body is governed by a board or equivalent management body, that body must exercise oversight of the arrangements relating to the security and resilience of the body’s network and information systems.
- (2) In exercising that oversight, the management body must –
 - (a) approve the approach taken by the body to the management of risks to the security and resilience of the body’s network and information systems, and
 - (b) satisfy itself, on a periodic basis, that appropriate and proportionate measures are in place to manage those risks.
- (3) The management body may be held accountable for a failure by the body to comply with its duties relating to the security and resilience of its network and information systems.
- (4) Members of the management body must undertake training designed to enable them to identify risks to, and assess appropriate risk-management practices for, the body’s network and information systems.
- (5) For the purposes of this section, a relevant body is one which is –
 - (a) an operator of an essential service,
 - (b) a relevant digital service provider,
 - (c) a relevant managed service provider, or
 - (d) a critical supplier,within the meaning of the NIS Regulations.”

Member's explanatory statement

This new clause would require active board-level oversight of, and explicit accountability for, the security and resilience of a relevant body's network and information systems, including a duty on board members to undertake relevant training, where the body is governed by a board or similar management body.

BARONESS LUDFORD

168

After Clause 58, insert the following new Clause –

“Review of the regulation of data-storing sectors

- (1) The Secretary of State must carry out a review of whether the NIS Regulations should be extended to persons who store or process personal data on behalf of other organisations at scale, but who are not otherwise regulated under those Regulations.
- (2) The review must, in particular, consider the case for extending regulation to –
 - (a) providers of software as a service, and
 - (b) any other sector or description of provider which the Secretary of State considers, at the time of the review, to hold personal data on behalf of other organisations at a scale or in a manner that may warrant regulation under the NIS Regulations.
- (3) In carrying out the review the Secretary of State must consider, in particular –
 - (a) the number of organisations relying on any single such provider, and the number of individuals whose personal data is held;
 - (b) the extent to which those organisations are able in practice to assess or influence the security of the network and information systems on which their data is held;
 - (c) whether the data protection legislation is sufficient to manage the risks identified, in particular as regards the security of network and information systems and the reporting of incidents;
 - (d) whether providers within subsection (2) could be brought within the meaning of “relevant managed service provider” or “relevant digital service provider”, or designated under regulation 14H of the NIS Regulations, and what changes (if any) to those Regulations would be needed to achieve this;
 - (e) the effect of any such extension on organisations that are small or medium-sized enterprises, or that are charities or other voluntary organisations, whether as providers or as customers.
- (4) In carrying out the review the Secretary of State must consult the Information Commission, the National Cyber Security Centre, and such other persons as the Secretary of State considers appropriate.
- (5) The Secretary of State must lay a report on the review before Parliament within 12 months of the day on which this Act is passed.

(6) In this section—

“the data protection legislation” has the same meaning as in the Data Protection Act 2018 (see section 3 of that Act);

“the NIS Regulations” has the meaning given by section 1.”

Member's explanatory statement

This probing amendment would require the Secretary of State to review, and report to Parliament within 12 months of Royal Assent, whether cyber security regulation under the NIS Regulations should be extended to further sectors that store or process personal data on behalf of other organisations at scale, including software-as-a-service providers

VISCOUNT CAMROSE
LORD MARKHAM
LORD HOLMES OF RICHMOND

169

After Clause 58, insert the following new Clause—

“Review of effect of information sharing and analysis centres

- (1) The Secretary of State must, within six months of the day on which this Act is passed, conduct a review of—
 - (a) the effect of information sharing and analysis centres (ISACs) on the security and resilience of network and information systems in regulated sectors;
 - (b) the feasibility and appropriateness of conferring enforcement powers on information sharing and analysis centres to encourage compliance with the requirements of the NIS Regulations and this Act among their members.
- (2) Following the conclusion of a review under subsection (1), the Secretary of State must publish and lay before Parliament a report which—
 - (a) identifies advantages and challenges associated with the operation of information sharing and analysis centres;
 - (b) identifies sectors in which the establishment of information sharing and analysis centres is likely to be beneficial for increasing the security and resilience of systems relied on for the provision of an essential service;
 - (c) where the establishment of further information sharing and analysis centres is likely to be beneficial, sets out a plan for the establishment of such centres;
 - (d) sets out a framework for conferring enforcement powers on information sharing and analysis centres, including—
 - (i) power to conduct investigations and audits of member compliance;
 - (ii) power to issue binding compliance directions to members;
 - (iii) power to exclude or suspend members for serious or repeated breaches;
 - (iv) procedures for member appeals and due process;
 - (v) coordination mechanisms with designated competent authorities for escalation and cross-enforcement;

- (e) identifies any barriers to private sector ISACs exercising such enforcement powers and recommends legislative changes if necessary.
- (3) Following publication of the report, the Secretary of State must –
 - (a) consult with designated competent authorities, existing information sharing and analysis centres, and regulated entities on the framework set out in subsection (2)(d);
 - (b) within 12 months of the day on which this Act is passed, lay before Parliament revised regulations or statutory guidance providing that information sharing and analysis centres may –
 - (i) investigate suspected breaches of the NIS Regulations or this Act among their members;
 - (ii) issue binding compliance directions requiring remedial action within a specified timeframe;
 - (iii) exclude or suspend members who fail to comply with such directions or who commit serious breaches;
 - (iv) escalate cases to the designated competent authority where –
 - (A) a member fails to comply with ISAC directions,
 - (B) the breach poses a significant risk to critical infrastructure, or
 - (C) the ISAC considers formal regulatory enforcement necessary.
- (4) Regulations under subsection (3)(b) must be made by statutory instrument and include –
 - (a) minimum standards for ISAC independence and governance to avoid conflicts of interest;
 - (b) procedural safeguards for members facing investigation or enforcement action, including right to be heard and appeal;
 - (c) requirements that ISACs publish annual compliance reports identifying enforcement actions taken;
 - (d) coordination protocols requiring ISACs to notify the relevant designated competent authority of enforcement actions.
- (5) A statutory instrument containing regulations under this section may not be made unless a draft of the instrument has been laid before, and approved by a resolution of, each House of Parliament.
- (6) In this section –
 - (a) “information sharing and analysis centres” means organisations –
 - (i) whose membership is primarily comprised of entities operating within a regulated sector for the purposes of the NIS Regulations and this Act,
 - (ii) that are independent of the designated competent authority or authorities for the relevant regulated sector, and
 - (iii) whose aim is to increase cyber security among its membership and facilitate information sharing on threats and vulnerabilities;

- (b) “regulated sectors” means sectors and subsectors under the regulatory oversight of designated competent authorities as defined in regulation 3 and Schedule 1 of the NIS Regulations (as amended by this Act);
- (c) “designated competent authority” has the meaning given by regulation 3 of the NIS Regulations.”

Member's explanatory statement

This new clause would require the Secretary of State to conduct a review of the effect of existing information sharing and analysis centres, with a view to determining whether further such centres should be established. It requires the Government to assess whether enforcement powers should be conferred on ISACs themselves, including power to investigate breaches, issue binding directions to members, and escalate serious cases to designated competent authorities.

VISCOUNT CAMROSE
LORD MARKHAM
LORD HOLMES OF RICHMOND

170

After Clause 58, insert the following new Clause –

“Duty on Secretary of State to report on the meeting of existing recommendations and implementation deadlines

- (1) The Secretary of State must, at least once in every 12-month period, lay before Parliament a report outlining the Government’s progress towards meeting –
 - (a) the recommendations made in the National Audit Office’s report on Government Cyber Resilience of 29 January 2025, and
 - (b) the implementation milestones set out in the Government’s Cyber Action Plan of 6 January 2026,so far as they relate to the security and resilience of network and information systems relied on in connection with the carrying on of essential activities.
- (2) Any report under this section must, where a deadline or implementation date has not been met in relation to the matters set out in subsection (1), include –
 - (a) an explanation for the failure to meet the deadline or implementation date;
 - (b) a revised deadline or implementation date and a plan for meeting the new date.”

Member's explanatory statement

This new clause would require the Secretary of State to report annually on the Government’s progress towards taking actions relating to the security and resilience of network and information systems arising from the NAO’s January 2025 report on the Government’s cyber resilience and from the Government’s Cyber Action Plan.

VISCOUNT CAMROSE
LORD MARKHAM
LORD HOLMES OF RICHMOND

171 After Clause 58, insert the following new Clause –

“Consultation on amnesty-based reporting of relevant ransomware attacks

- (1) The Secretary of State must, within six months of the day on which this Act is passed, launch a consultation on the establishment of an amnesty-based reporting scheme for ransomware attacks affecting relevant network and information systems (within the meaning established by section 29(3)).
- (2) The purpose of the consultation is to determine the feasibility and appropriateness of a framework which would allow organisations to report such ransomware attacks to a designated government body confidentially, without triggering –
 - (a) mandatory incident reporting obligations under the NIS Regulations,
 - (b) regulatory investigation or enforcement action, or
 - (c) civil or criminal liability for the organisation or its officers.
- (3) The consultation must address –
 - (a) the design of a safe harbour reporting framework to incentivise organisations voluntarily to disclose such ransomware incidents to government to improve threat intelligence and cyber resilience;
 - (b) the appropriate government department or agency to receive such reports and how reports would be used to inform law enforcement investigations and threat intelligence;
 - (c) data protection safeguards to protect organisations making reports, including how personal data in ransomware communications would be handled;
 - (d) the relationship between amnesty-based reporting and mandatory incident reporting under the NIS Regulations.
- (4) The consultation must be conducted with –
 - (a) regulated entities, industry bodies, and businesses;
 - (b) law enforcement and national security agencies;
 - (c) designated competent authorities and the Information Commissioner’s Office;
 - (d) cyber security researchers and incident response providers.
- (5) The Secretary of State must publish a consultation response within six months of closing the consultation, setting out whether such a ransomware amnesty scheme should be established and, if so, the proposed design and implementation timeline.
- (6) In this section, “ransomware attack” means a cyber-attack involving malicious software which –
 - (a) infects a victim’s computer systems, and
 - (b) prevents the victim from accessing systems or data, impairs the use of systems or data, or facilitates theft of data,

and in relation to which a ransom is demanded for access to be restored or for data not to be published.”

Member's explanatory statement

This amendment proposes a consultation on establishing an amnesty-based reporting scheme for ransomware attacks affecting relevant network and information systems. It would require the Government to consult on a “safe harbour” framework under which organisations could report ransomware attacks to government confidentially, without regulatory enforcement or law enforcement disclosure.

VISCOUNT CAMROSE
LORD MARKHAM
LORD HOLMES OF RICHMOND

172 After Clause 58, insert the following new Clause—

“Impact of reporting requirements on relevant bodies

- (1) The Secretary of State must, within 12 months of the day on which this Act is passed, publish and lay before Parliament—
 - (a) a review of the impact on relevant bodies of—
 - (i) the requirements relating to the notification of incidents in Parts 3 and 4 of the NIS Regulations (as amended by this Act), and
 - (ii) any additional incident notification requirements made by regulations under this Act;
 - (b) proposals for the creation of a single cyber incident reporting channel for relevant bodies.
- (2) A review under this section must consider—
 - (a) the costs of requirements on relevant bodies, and
 - (b) interactions with other incident reporting regimes.
- (3) In this section, “relevant bodies” means operators of essential services, critical suppliers or digital service providers, as defined by the NIS Regulations.”

Member's explanatory statement

This new clause would require the Secretary of State to review the impact of incident reporting requirements on relevant bodies, and to set out proposals for a single incident reporting channel.

VISCOUNT CAMROSE
LORD MARKHAM
LORD HOLMES OF RICHMOND

173 After Clause 58, insert the following new Clause—

“Publication of relevant elements of the National Cyber Action Plan

The Secretary of State must—

- (a) publish those elements of the National Cyber Action Plan which relate to the security and resilience of network and information systems used or relied on in connection with the carrying on of essential activities,
 - (b) lay a statement before Parliament confirming that those elements of the National Cyber Action Plan have been published, and
 - (c) allow for a period of 28 days to elapse during which those elements of the National Cyber Action Plan are available for review by Parliament,
- before any provisions of this Act other than this section and Part 5 may come into force.”

Member’s explanatory statement

This amendment, and another in the name of Viscount Camrose, makes commencement of the rest of the Act conditional on publication of relevant elements of the Government’s National Cyber Action Plan.

VISCOUNT CAMROSE
LORD MARKHAM
LORD HOLMES OF RICHMOND

174 After Clause 58, insert the following new Clause –

“Funding of regulatory authorities: statement

- (1) The provisions of this Act, other than this section and Part 5, may not come into force until the Secretary of State has laid before each House of Parliament a statement setting out the Government’s plan for funding the exercise of functions of the regulatory authorities conferred or modified by this Act.
- (2) The statement must include –
 - (a) the resources the Secretary of State considers the regulatory authorities will require to operate the designation and regulation of critical suppliers under section 12 of this Act, to enforce the provision of information and reporting of incidents under Chapter 2 of this Act, and to undertake directives by the Secretary of State under powers conferred by this Act,
 - (b) the funding the Secretary of State intends to make available for each of the first three financial years following the day on which this Act is passed, and
 - (c) the basis on which the adequacy of that funding will be kept under review.
- (3) In this Part, “regulatory authority” means –
 - (a) a person designated for the purposes of this Act by regulations made by the Secretary of State,
 - (b) a person designated by Regulation 3(1) of the NIS Regulations (competent authorities for operators of essential services), or
 - (c) the Information Commission.”

Member's explanatory statement

This amendment seeks to require the Secretary of State to make a statement to both Houses of Parliament outlining their plan for funding the functions of the regulatory authorities modified or conferred by this Act, before the commencement of those functions.

VISCOUNT CAMROSE
LORD MARKHAM
LORD HOLMES OF RICHMOND

174A After Clause 58, insert the following new Clause –

“Register of foreign powers for the purposes of Part 4

- (1) For the purposes of informing action taken under Part 4 of this Act, the Secretary of State must by regulations made by statutory instrument, and within six months of the day on which this Act is passed, establish and maintain a register of foreign powers that the Secretary of State believes present a risk to the United Kingdom’s critical network and information systems.
- (2) Foreign powers designated by the Secretary of State under subsection (1) must include states –
 - (a) which have been confirmed by GCHQ as having –
 - (i) perpetrated, or attempted to perpetrate, a cyber attack in the UK in the preceding seven years,
 - (ii) targeted, or intended to target, that attack at the network or information systems of one or more operators of an essential service or critical suppliers, and
 - (iii) carried out, or intended to carry out, that attack through a state department, agency or affiliate group;
 - (b) which GCHQ has warned pose a risk to the security or resilience of the network or information systems of one or more operators of an essential service or critical suppliers.
- (3) A statutory instrument containing regulations under this section may not be made unless a draft of the instrument has been laid before, and approved by a resolution of, each House of Parliament.
- (4) In this section, “foreign power” means –
 - (a) the sovereign or other head of a foreign state in their public capacity,
 - (b) a foreign government, or part of a foreign government,
 - (c) an agency or authority of a foreign government, or of part of a foreign government,
 - (d) an authority responsible for administering the affairs of an area within a foreign country or territory, or persons exercising the functions of such an authority, or
 - (e) a political party which is a governing political party of a foreign government.

- (5) A political party is a governing political party of a foreign government if persons holding political or official posts in the foreign government or part of the foreign government –
- (a) hold those posts as a result of, or in the course of, their membership of the party, or
 - (b) in exercising the functions of those posts, are subject to the direction or control of, or significantly influenced by, the party.”

Member's explanatory statement

This amendment would require the Government to maintain a register of state actors posing a threat to UK cyber security for the purposes of exercising the Secretary of State's powers under Part 4 of the Act, which enable the giving of directions in the interests of national security.

VISCOUNT CAMROSE
LORD MARKHAM
LORD HOLMES OF RICHMOND

174B After Clause 58, insert the following new Clause –

“Register of foreign powers for the purposes of Part 4: review of nature of risk

- (1) For each foreign power added to the register established under section (*Register of foreign powers for the purposes of Part 4*), the Secretary of State must review the extent and nature of the risk posed to the network and information systems of operators of essential services and critical suppliers, including whether the risk arises from –
 - (a) activities undertaken outside of the United Kingdom, or
 - (b) foreign owned or controlled infrastructure or locations within the United Kingdom.
- (2) Within six months of the establishment of the register under section (*Register of foreign powers for the purposes of Part 4*)(1), the Secretary of State must lay before Parliament a report containing –
 - (a) the findings and conclusions of the review conducted under subsection (1) above, and
 - (b) the Government's plan for addressing the risks identified.
- (3) If the Secretary of State considers that laying a report, or any portion of a report, under subsection (2) would be contrary to the interests of national security, the Secretary of State must make a statement to Parliament confirming that –
 - (a) a review has been conducted under subsection (1), and
 - (b) that the report, or a portion of the report, cannot be laid before Parliament for reasons of national security.”

Member's explanatory statement

This new clause would require the Government to conduct a review and report to Parliament on the risk to relevant network and information systems posed by foreign powers appearing on the register established by the new clause “Register of foreign powers for the purposes of Part 4”,

considering whether such risks arise from extra-territorial activities and infrastructure or premises owned or controlled by foreign powers.

LORD ARBUTHNOT OF EDROM

174C After Clause 58, insert the following new Clause –

“Guidance: skills and competency requirements

The Secretary of State must issue guidance setting out the skills and competencies relevant to compliance with duties under this Act relating to the security and resilience of network and information systems, including the role of recognised professional standards and independently assessed competence.”

Member's explanatory statement

This amendment would require the Government to publish guidance concerning the capability and skills required for effective implementation of the provisions of this Act.

LORD ARBUTHNOT OF EDROM

174D After Clause 58, insert the following new Clause –

“Strategy for developing cyber-security and resilience capability across regulated sectors under this Act

- (1) Within 12 months of the day on which this Act is passed, the Secretary of State must publish a strategy for developing cyber-security and resilience capability across the sectors regulated under this Act.
- (2) The strategy for regulated sectors published under subsection (1) must include workforce development, training and professional standards.
- (3) The Secretary of State must publish an updated strategy in each calendar year.”

VISCOUNT CAMROSE
LORD MARKHAM
LORD HOLMES OF RICHMOND

174E After Clause 58, insert the following new Clause –

“Increasing resilience by reducing data retention

- (1) The Secretary of State must, within one month of the day on which this Act is passed, open a consultation on the potential impact of minimising data collection and increasing data anonymisation on the resilience to cyber attack of relevant public bodies.
- (2) In this section, "relevant public bodies" are public bodies that are operators of essential services or digital service providers under the NIS Regulations or this Act.”

Clause 60

VISCOUNT CAMROSE
LORD MARKHAM
LORD HOLMES OF RICHMOND

175 Clause 60, page 85, line 2, leave out subsections (1) and (2) and insert—

- (1) Section (*Publication of relevant elements of the National Cyber Action Plan*) and this Part come into force on the day on which this Act is passed.
- (2) The other provisions of this Act may not come into force in accordance with subsection (3) until the requirements set out in section (*Publication of relevant elements of the National Cyber Action Plan*) have been met.”

Member's explanatory statement

This amendment, and another in the name of Viscount Camrose, makes commencement of the rest of the Act conditional on publication of relevant elements of the Government's National Cyber Action Plan.

Cyber Security and Resilience (Network and Information Systems) Bill

THIRD MARSHALLED
LIST OF AMENDMENTS
TO BE MOVED
IN GRAND COMMITTEE

4 September 2026

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