

Guidance Offers Clarity On UK Foreign Influence Registration

By **Jonathan Benson, Vanessa McGoldrick and Jason Williamson** (May 19, 2025, 4:20 PM BST)

The U.K. government has announced that the Foreign Influence Registration Scheme, or FIRS, established under the National Security Act 2023, will come into force from July 1.

FIRS, alongside the U.K. lobbying regime, aims to increase transparency on certain activities in the U.K. by requiring parties to register agreements or arrangements with foreign powers if they qualify under either of the tiers outlined in FIRS — the political influence or enhanced tier.

In anticipation of the scheme coming into force, the U.K. Home Office issued guidance on FIRS on April 1. The guidance provides important context on the scheme for different industries and sectors, and while it does answer important questions, the application of the scheme to many fact patterns will require careful consideration.

This is particularly true for businesses that have international touchpoints, which must decide whether regular contacts with foreign jurisdictions now require registration. Overall, the guidance supports the need for businesses to prepare in advance of July 1 to successfully navigate the new scheme.

Political Influence Tier

The political influence tier requires individuals or organizations to register arrangements with a foreign power that directs them to conduct, or arrange for others to conduct, political influence activities in the U.K. on behalf of the foreign power. The terms "foreign power," "arrangement," "direction" and "political activity" are defined in the act, and elaborated upon in the guidance.

The act broadly defines "foreign power" to include sovereigns or other heads of state, foreign governments or their parts, agencies, authorities, and governing political parties.[1] The definition also covers foreign-power employees acting officially, e.g., public officials, and entities carrying out public functions, such as administrative work on behalf of the government.

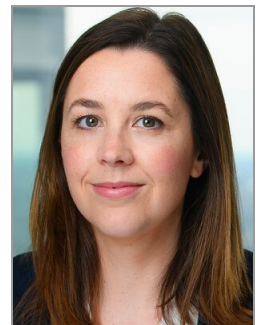
The guidance clarifies that state-owned entities are not automatically classified as foreign powers, noting that neither ownership, funding nor control in and of itself will be determinative.

The analysis of whether a business is dealing with foreign power should focus on what is driving the arrangement, namely whether the counterparty is carrying out activities under its own volition or under instructions from a foreign power.

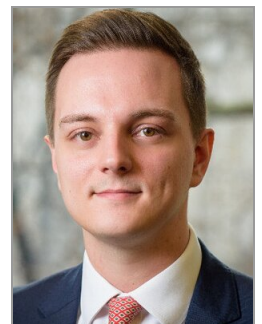
The guidance defines an arrangement by providing examples that include, but are not limited to, formal instruments, e.g., contracts, memorandum of understandings, orders or invoices for goods or services, or informal quid pro quo agreements. The definition focuses on the relationship arising from the arrangement rather than formalities structuring the relationship.



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The guidance also defines direction for purposes of FIRS, which encompasses anything that obliges or compels the registrant to perform a certain action. This direction can include formal or informal orders or instructions, including those provided under contractual relationships and even coercion by a foreign power.

The analysis of whether direction exists focuses on elements of control of any nature that the foreign power may have over the registrant, and the consequences of compliance or breach of a direction by the registrant.

The final element, political influence activity, is defined by the act, and encompasses activities carried out in the U.K. that satisfy two criteria. First, the activity must constitute a communication to a senior public official or politician, or public communication or provision of money, goods or services to an entity or individual in the U.K.

Second, the activity must be undertaken for the purpose of influencing a U.K. election or referendum; a decision from a minister or a government department, e.g., administrative decisions; the proceedings of a U.K.-registered political party; or a member of Parliament.[2]

These elements are sufficiently broad to bring a wide range of regular business activities with international touchpoints under the political influence tier. As such, FIRS provides for exemptions, such as diplomatic missions, and the guidance lists examples of activities that do and do not require registration.

For example:

- A foreign government entity enters into a contract with a U.K. lobby firm that requires the lobby firm to contact U.K. government ministers to encourage the government to reverse a policy decision. The lobby firm would need to register under the political influence tier.
- An overseas company, acting independently of any foreign power, writes to a U.K. government minister outlining issues posed by U.K. regulations related to its business and making suggestions regarding how the law could be improved. The company would not be required to register under FIRS, since while its activities could constitute political influence activities, it is not acting at the direction of a foreign power.
- An overseas state-owned enterprise in Country A, which is not on the enhanced tier, meets with the minister of trade from Country A. The minister requests that the enterprise leverage contacts within the U.K. government to make the case for a state visit to the U.K. for the president of Country A, in return for additional funding. The CEO of the enterprise contacts the cabinet secretary outlining the benefits of a state visit. The enterprise would be required to register under the political influence tier.

The guidance makes clear that businesses will need to undertake a thorough analysis of arrangements that could potentially fall within the scope of the political influence tier and therefore require registration.

This could include an analysis of key factors, such as whether the arrangement involves any direction from a foreign power, whether any funding received from foreign powers come with conditions, and how much influence or control the foreign power has in respect of the arrangement.

Enhanced Tier

The enhanced tier requires that individuals or organizations must register any arrangement with a foreign power, or foreign power-controlled entities specified by the act or regulations, that directs the individual or organization to carry out, or arrange for someone else to carry out, a relevant activity in the U.K.

An arrangement and direction under the enhanced tier have the same meanings as under the political influence tier. The distinctions arise when assessing foreign power and activities.

Under the enhanced tier, registration is only required for arrangements with a specified foreign power or entity or those acting on behalf of the specified foreign powers, which have been designated by the U.K. government for FIRS.

Currently, only Iran^[3] and Russia,^[4] and certain of their respective controlled entities, have been placed on the enhanced tier. The U.K. government can also place on the enhanced tier any foreign power, or any entity that it believes is controlled by a foreign power, when the government considers it reasonably necessary to do so to protect U.K. national security interests.

The act sets out the conditions that could indicate that an entity is controlled by a foreign power, which includes specific levels of shareholding and control power.^[5]

Unlike the political influence tier, the enhanced tier focuses on a relevant activity, which includes all activities within the U.K. or with effects in the U.K. In practice, and as the guidance suggests, this is intended to capture most activities.

There are certain exceptions to this definition, including receiving scholarships to fund education, participating in a diplomatic mission or providing legal services to foreign powers.^[6] The guidance also provides that the scope of these activities may be "amended by the Secretary of State, so that arrangements with different specified foreign powers or entities require registration of different types of activities."

However, when there is no specific designation of covered activities — as in the case of Iran and Russia — the default definition of all activities is applicable, subject to the exceptions in the act.

In some respects, distinguishing whether registration is applicable under the enhanced tier can be more straightforward than under the political influencer tier. The examples provided by the guidance reinforce this analysis as focused on direction coming from a designated jurisdiction.

For example:

- The U.K.-based embassy of Russia, i.e., a country placed on the enhanced tier, signs a contract with a hotel to host an event to promote Russia to potential investors. The hotel would be required to register under the enhanced tier.
- A healthcare regulator in Iran is specified under the enhanced tier. A U.K. pharmaceutical company signs a contract with the Iranian regulator and agrees to complete a research project on the use of a particular ingredient within medicines in the U.K. The U.K. company would be required to register under the enhanced tier.
- A U.K. advertising agency signs a contract with the tourism ministry of a country placed on the enhanced tier, which requires the agency to promote the specified country as a tourist destination. The advertising agency produces an advertisement and enters into agreements with U.K. broadcasting and social media companies to display the advertisement. The advertising agency is required to register under the enhanced tier. The broadcasting and social media companies should check whether the agency has registered prior to displaying the advertisement.
- A state-owned enterprise is wholly owned, and receives funding for investments, from Country B. A senior manager of the enterprise attends, without any direction from the foreign state, a conference in the U.K., and speaks to a U.K. government minister about obtaining funding from the U.K. for a project. While the enterprise is owned by a foreign state, the senior manager did not speak to the U.K. government minister at the direction of the state. Registration is therefore not required, even if the foreign state is listed on the enhanced tier.

However, the guidance raises other concerns for businesses.

For example, are parties outside of the arrangement required to check whether there is registration

of a scheme? Does addressing requests from foreign regulators fall under the enhanced tier? Can invitations from foreign governments to bid on public infrastructure projects fall under the enhanced tier, and do online marketing actions contracted abroad, but aimed at U.K. consumers, fall under the enhanced tier?

Careful consideration will need to be given in these and other scenarios.

Next Steps

Compliance with FIRS requires careful assessment of business activities, and interactions with foreign entities and governments, since the scheme's broad language may trigger registration of routine operations. Companies should consider implementing internal controls that are capable of capturing activities that can fall under FIRS.

This will require asking questions such as:

- Who is directing the company to act in a specific manner, i.e., is the company addressing, responding or engaging with a foreign power?
- What is the purpose of the goods or services I will be providing, i.e., are they linked to the listed political activities?
- Will the goods or services the company provides be destined for members of parliament or public employees, i.e., are they linked to politicians or public officials?
- What are my company's links to a specifically designated jurisdiction?
- Are my counterparties from a jurisdiction that has been designated under the enhanced tier by the U.K. government?

These questions are a starting point for determining which arrangements require registration. Further guidance from the U.K. government is not now expected ahead of July 1, and companies will need to self-assess and consider the specificities of their activities to ensure that they are compliant with FIRS, and to avoid criminal liability.

This assessment must be conducted swiftly, since businesses must register relevant arrangements that will continue beyond July 1. Arrangements qualifying under the political influence tier must be registered within 28 calendar days from when they were made, and activities can take place during this window.

Arrangements qualifying under the enhanced tier must be registered within 10 calendar days from when they were made and prior to any activities being carried out.

Ongoing arrangements under both tiers will need to be registered by Oct. 1. In any event, registration is deemed complete as soon as it is submitted and there is no need to wait for U.K. government approval.

Businesses should also be aware that the U.K. government may issue information notices to parties that have registered or that it believes should be registered under FIRS.

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[1] The Republic of Ireland is excluded from this definition. Act, Section 32.

[2] Act, Section 70.

[3] <https://www.gov.uk/government/publications/foreign-influence-registration-scheme-specified-powers-iran/guidance-on-the-foreign-influence-registration-scheme-specified-foreign-powers-or-foreign-power-controlled-entities-iran-accessible>.

[4] <https://www.gov.uk/government/publications/foreign-influence-registration-scheme-specified-powers-russia/guidance-on-the-foreign-influence-registration-scheme-specified-foreign-powers-or-foreign-power-controlled-entities-russia-accessible-version>.

[5] Act, Schedule 13

[6] Act, Schedule 15.