

New Australian Foreign Investment Policy – Agricultural Land Register

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The key change is the insertion of a new section which requires all foreign persons (including foreign government investors) holding existing interests in agricultural land to register those interests with the Australian Taxation Office (**ATO**) (regardless of value of that land) from 1 July 2015. The Policy also requires any new interests in agricultural land to be registered within 30 days of acquisition. Agricultural land means land in Australia that is used, or that could reasonably be used, for a primary production business.

The new Policy now also contains some minor clarifications of the rules in connection with residential land acquisitions by foreign persons.

The registration of interests in agricultural land was an initiative forming part of a raft of much wider

proposed changes to the foreign investment regime set out in the Australian Government's "*Strengthening Australia's Foreign Investment Framework*" consultation paper released earlier this year.

In terms of what the change in Policy means for foreign investors, those who hold existing interests in agricultural land will need to assess their current holdings with a view to notifying them to the ATO. Foreign investors looking to make new investments in agricultural land will need to promptly notify those investments to the ATO (even if those investments are not notifiable under the foreign investment rules).

Although the requirement in the new Policy currently applies to investors as a matter of policy, the Australian Government has announced its intention to introduce legislation to give legal effect to the requirement on and from 1 July 2015. While the requirements of the Act and the Policy are not identical, recommended practice is to comply with the requirements of both.

Key issues

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