

Imminent changes to Australian foreign investment regime

Australia's foreign investment regime is currently undergoing significant reforms. Legislation to implement the changes is expected to come into legal effect from **1 December 2015**. The changes address 6 key areas, namely:

Agriculture

Increased scrutiny around foreign investment in agriculture, including a new A\$15 million cumulative threshold on agricultural land and a A\$55 million threshold on direct investments in agribusiness.

Land registers

Increasing transparency on the levels of foreign ownership in Australia through a comprehensive land register - an agricultural land register commenced collections on 1 July 2015 and the government is in negotiations to expand this to residential land.

Filing fees

Imposition of significant filing fees, ranging from A\$5,000 to A\$100,000, depending on the nature of the investment.

Penalties

Stricter criminal penalties, supplemented by civil pecuniary penalties and infringement notices for

less serious breaches of the residential real estate rules.

Modernisation

Modernisation of the rules to harmonise with other laws such as the Corporations Act.

Transfer of functions

Transferring certain compliance and enforcement functions (initially residential real estate) to the Australian Taxation Office.

Further information

Further information on the changes, together with new guidance notes are available on the Foreign Investment Review Board website at: http://firb.gov.au/content/strengthening_FIF.asp.

The agricultural land register can be accessed on the Australian Taxation Office website at: <https://www.ato.gov.au/general/Foreign-investment-in-Australia/agricultural-land-register/>.

A more detailed overview of the current Australian foreign investment regime and legislative changes which

Key issues

- Foreign investors may be incentivised to lodge foreign investment notifications prior to the imposition of filing fees on 1 December 2015.
- Foreign investors holding agricultural land need to take stock of their holdings and register them by 1 December 2015.
- A reduced penalty period applies until 30 November 2015 to encourage investors that have breached the rules to voluntarily come forward.

are expected are available in a Clifford Chance client briefing note available at: http://www.cliffordchance.com/briefings/2015/10/foreign_investmentregulationinaustralia.html.

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SYD#7822044

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