

Foreign Investment changes – what you need to know

The Australian Government welcomes foreign investment, which is integral to our economy. Recently, there have been changes to the rules that affect foreign investors who are seeking to purchase property and those who already own property in Australia. The Australian Taxation Office (ATO) and [Treasury](#) will administer the new framework together.

Members of the Australian Institute of Conveyancers (AIC) may find themselves at the forefront of a foreign investment transaction and will need to be aware of these changes and their client's obligations. Here's a summary of the changes, key dates and activities:

Date	Activity commencement
1 March 2015	New \$15 million cumulative threshold for agricultural land screening.
2 May 2015	Reduced penalty period began. The ATO also began compliance investigations for residential real estate, using sophisticated data-matching systems and specialised staff with compliance expertise.
1 July 2015	Foreign investors are required to notify the ATO of purchases, sales and transfers of Australian agricultural land using the Agricultural Land Register . This includes existing holdings.
1 December 2015	<ol style="list-style-type: none">1. Reduced penalty period ends.2. Application fees, civil penalties and infringement notices commence, along with increased criminal penalties.3. ATO takes over screening applications for foreign investment in residential real estate proposals.
1 July 2016	Land register is expanded to include all foreign residential property holdings purchased after this date.

The government has set the start date of the majority of the policy measures as 1 December 2015, therefore legislation will be introduced in the Spring sittings of parliament.

New Foreign Investment Working Group formed

A special purpose, limited-life ATO consultation group of relevant stakeholders has been formed to provide the ATO with feedback on the administration of the changes. The Foreign Investment Reforms Working Group first met on 23 July 2015 to consider various topics related to the foreign investment reforms, including:

- current ATO compliance activities
- the development of the agricultural land register
- enhanced data reporting, which includes land dealings
- the reduced penalty period
- communication strategies and development of training materials.

[Rosemary Cotton](#), National Secretary, is representing AIC members on this new group.

See also: [Statement: Further divestment of illegally owned property](#), by the Treasurer, Joe Hockey