

Glossary

Aggregate substantial interest in a corporation	Where two or more persons, together with any associate(s), are in a position to control not less than 40 per cent of the voting power, or hold interests in not less than 40 per cent of the issued shares, of a corporation (section 9 of the FATA).
Applications approved (/approvals)	Comprise all foreign investment proposals approved either with or without conditions.
Applications considered	Comprise all foreign investment proposals finalised (that is, approved, rejected, withdrawn or exempt).
Applications decided	Comprise all foreign investment proposals approved or rejected (that is, excluding proposals withdrawn or determined exempt).
Applications rejected	Comprise all foreign investment proposals that are either rejected under the policy or subject to a Final Order or a Divestiture Order under the FATA.
Australian rural land	Refers to land that is used wholly and exclusively for carrying on a primary production business.
Australian urban land	Refers to all other land in Australia that is not Australian rural land.
Australian urban land corporations and trust estates	A corporation (excluding holding companies) or trust estate where more than half of its assets are in the form of Australian urban land (section 13D of the FATA).
Corporate reorganisations	Corporate reorganisations encompass a wide range of transactions including corporate restructures and transfers of assets or shares within a corporate group.
Divestiture Order	An Order that requires an interest already acquired to be disposed of.
FIMS	The Foreign Investment Management System is the Division's electronic case management system.
Final Order	An Order that prohibits a proposed acquisition.

Foreign Direct Investment / FDI	A direct investment has the objective of establishing a lasting interest in, and a strategic long-term relationship with, the target company. It may include a significant degree of influence by the investor in the management of the target company. It is international practice to define a direct investment as acquiring an interest of 10 per cent or more for statistical purposes. Interests below 10 per cent may also be direct investments if the investor can use those investments to influence or control the company.
Foreign Investment Review Board (FIRB or the Board)	A non-statutory body established in 1976 to advise the Treasurer on foreign investment policy and its administration.
Foreign person	<ul style="list-style-type: none">(a) A natural person not ordinarily resident in Australia;(b) a corporation in which a natural person not ordinarily resident in Australia or a foreign corporation holds a controlling interest;(c) a corporation in which two or more persons, each of whom is either a natural person not ordinarily resident in Australia or a foreign corporation, hold an aggregate controlling interest;(d) the trustee of a trust estate in which a natural person not ordinarily resident in Australia or a foreign corporation holds a substantial interest; or(e) the trustee of a trust estate in which two or more persons, each of whom is either a natural person not ordinarily resident in Australia or a foreign corporation, hold an aggregate substantial interest. (Section 5 of the FATA)
Interim Order	An Order that extends the available statutory examination period and prohibits a proposed acquisition for up to 90 days.
Offshore takeover	Where an offshore company (/foreign person) that holds Australian assets or conducts a business in Australia is acquired by another foreign person, and the Australian assets or businesses of the target company are valued at less than 50 per cent of its global assets.
Off-the-plan	An acquisition of a dwelling under construction or completed that has not been lived in or previously sold.
Portfolio investment	Passive or non-direct investment.

Proposed investment	Proposed investment associated with foreign investment proposals comprises the aggregate of acquisition costs and development expenditure in the case of existing businesses, and the aggregate of establishment costs and development expenditure in the case of new businesses.
Substantial interest in a corporation	Where a person, alone or together with any associate(s), is in a position to control not less than 15 per cent of the voting power, or holds interests in not less than 15 per cent of the issued shares, of a corporation (section 9 of the FATA).
Threshold	Monetary figure under either the policy or the FATA at which foreign persons are expected or required to notify an investment proposal to the Treasurer.

