

Glossary

Act	The <i>Foreign Acquisitions and Takeovers Act 1975</i> .
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 potential voting power, or hold interests in not less than 40 per cent of the issued shares or rights to issued shares, of a corporation (section 9 of the Act).
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Applications considered	Comprise all foreign investment proposals finalised (that is, approved, rejected, withdrawn or exempt).
Applications decided	Comprise all foreign investment proposals approved or rejected (that is, excluding proposals withdrawn or exempt).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 Act.
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. It includes all seabed within Australia's Exclusive Economic Zone.
Australian urban land corporations and trusts	A corporation or trust that has interests in Australian urban land which makes up more than 50 per cent of the value of its total assets (sections 13C and 13D of the Act).
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.
Final Order	An Order that prohibits a proposed acquisition.

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Foreign government investors

Foreign government investors include:

- a body politic of a foreign country;
- entities¹ in which governments, their agencies or related entities from a single foreign country have an aggregate interest (direct or indirect) of 15 per cent or more;
- entities in which governments, their agencies or related entities from more than one foreign country have an aggregate interest (direct or indirect) of 40 per cent or more; or
- entities that are otherwise controlled by foreign governments, their agencies or related entities, and any associates, or could be controlled by them including as part of a controlling group.

Foreign Investment Review Board (the Board)

A non-statutory body established in 1976 to advise the Treasurer on the Policy and its administration.

Foreign person

- (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 Act)

1 Entities include companies, trusts and limited partnerships.

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 (or a 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 above the relevant thresholds.
Off-the-plan	An acquisition of a dwelling under construction or completed that has not been lived in for 12 months or more, or previously sold (that is, the dwelling is purchased from the developer).
Policy	Australia's Foreign Investment Policy.
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.
Secretariat (or the Division)	Treasury's Foreign Investment and Trade Policy Division.
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 potential voting power, or holds interests in not less than 15 per cent of the issued shares or rights to issued shares, of a corporation (section 9 of the Act).
Regulations	The <i>Foreign Acquisitions and Takeovers Regulations 1989</i> .
Threshold	Monetary figure under either the Policy or the Act at or above which foreign persons are expected or required to notify an investment proposal to the Treasurer.

