



On 29 March 2020, the Treasurer announced that due to the impacts of the coronavirus outbreak, all monetary thresholds will be temporarily reduced to \$0, and that the FIRB will work with applicants to extend the timeframes for decision making to up to six months. Further information on these temporary changes can be found in 'Guidance Note 53: Temporary measures in response to the coronavirus', available on the FIRB website at www.firb.gov.au.

All other guidance material, including this note on monetary thresholds, should be read in light of those temporary changes. Within this note, the temporary changes may have particular impact on matters related to, but not exclusively including:

- the monetary thresholds for determining if the threshold test is met.

Where there is any inconsistency between this note and Guidance Note 53, the information in Guidance Note 53 takes precedence.

MONETARY SCREENING THRESHOLDS

Last updated: 24 April 2020

One of the tests in determining whether an action is a significant action under the *Foreign Acquisitions and Takeovers Act 1975* is whether the monetary screening threshold test is met. Some significant actions (called notifiable actions) must be notified to the Treasurer before the actions can be taken. This guidance note outlines the monetary screening thresholds.

For further information on significant and notifiable actions, see [Guidance Note 35](#).

Monetary screening thresholds are met when either the amount paid for an interest or the value of an entity or assets exceeds the threshold amount, depending on the type of action. The exception is for agricultural land, where the test is cumulative.

Monetary screening thresholds are indexed annually on 1 January, except for the \$15 million agricultural land threshold and the \$50 million agricultural land threshold for Thailand investors, which are not indexed.

FREE TRADE AGREEMENT COUNTRY OR REGION INVESTORS

Australia currently has thirteen free trade agreements (FTAs) in force (listed below with the date they entered into force):

- Australia–New Zealand (ANZCERTA or CER) — 1 January 1983
- Singapore–Australia (SAFTA) — 28 July 2003
- Australia–United States (AUSFTA) — 1 January 2005
- Thailand–Australia (TAFTA) — 1 January 2005
- Australia–Chile (ACIFTA) — 6 March 2009
- ASEAN–Australia–New Zealand (AANZFTA) — 1 January 2010 for eight countries: Australia, New Zealand, Brunei, Burma, Malaysia, the Philippines, Singapore and Vietnam. For Thailand: 12 March 2010. For Laos: 1 January 2011. For Cambodia: 4 January 2011. For Indonesia: 10 January 2012
- Malaysia–Australia (MAFTA) — 1 January 2013
- Korea–Australia (KAFTA) — 12 December 2014

- Japan–Australia (JAEPA) — 15 January 2015
- China–Australia (ChAFTA) — 20 December 2015
- Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) — 30 December 2018 (not in force for all CPTPP signatories)
- Australia-Hong Kong Free Trade Agreement — 17 January 2020
- Peru-Australia (PAFTA) – 11 February 2020

Under these agreements Australia has made various commitments relating to foreign investment screening. These commitments determine what monetary screening thresholds apply to investors from certain countries and regions. Under the foreign investment review framework, only 'agreement country or region' investors that are either a 'national' of an agreement country, a 'resident' of an agreement region, or an 'enterprise' of an agreement country or region are able to access the higher FTA thresholds¹. An 'enterprise' is generally an entity (or a branch of an entity) that is constituted or organised under the law of the country or region and that is carrying on business activities there.

NON-LAND PROPOSALS

The monetary screening thresholds for acquisitions of interests in securities in an entity or issuing securities in an entity is based on the total asset value or total issued securities value for the entity (whichever is higher). The monetary screening threshold for acquisitions of interests in the assets of an Australian business is based on the total consideration for the acquisition.

The monetary screening thresholds for agribusinesses are based on the consideration for the acquisition. This includes the total value of other interests held by the foreign person (with associates) in the entity.

Non-land proposals

Investor	Action	Threshold – more than:
From FTA partner countries or regions that have the higher	Acquisitions in non-sensitive businesses	\$1,192 million

¹ Applies to countries or regions that meet the specific definitions set out in the Foreign Acquisitions and Takeovers Regulation 2015 (see section 7 (meaning of enterprise of a country and meaning of enterprise of a region) and section 8 (meaning of national of a country and meaning of resident of a region)).

threshold ²	Acquisitions in sensitive businesses ³	\$275million
	Australian media business ⁴	\$0
	Agribusinesses	For Chile, New Zealand and United States of America, \$1,192 million. Others, \$60 million (based on the value of the consideration for the acquisition and the total value of other interests held by the foreign person (with associates) in the entity)
Other investors	Business acquisitions (all sectors)	\$275 million
	Australian media business	\$0
	Agribusinesses	\$60 million (based on the value of the consideration for the acquisition and the total value of other interests held by the foreign person (with associates) in the entity)

² Agreement country or region investors are those from: the United States of America, New Zealand, Chile, Japan, the Republic of Korea, China, Singapore, Peru, a country (other than Australia) for which the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, done at Santiago on 8 March 2018, is in force (CPTPP) (as at 1 January 2020, the CPTPP is in force for: Canada, Japan, Mexico, New Zealand, Singapore and Vietnam), and the region of Hong Kong, China.

³ Sensitive businesses include: media; telecommunications; transport; defence and military related industries and activities; encryption and securities technologies and communications systems; and the extraction of uranium or plutonium; or the operation of nuclear facilities.

⁴ For investments into an Australian media business, a holding of at least five per cent requires notification and prior approval regardless of the value of investment.

Foreign government investors	All direct interests in an Australian entity or Australian business	\$0
	Starting a new Australian business	\$0

LAND PROPOSALS

The monetary screening thresholds for acquisitions of Australian land (with some exceptions for agricultural land) are based on the value of the proposed investment, not the total value of the land itself.

The \$15 million screening threshold for acquisitions of agricultural land is based on the cumulative interests in agricultural land held by the foreign person (with associates). It is met if an acquisition would mean that the value of all the interests held in agricultural land exceeds the threshold amount.

Land proposals

Investor	Action	Threshold – more than:
All investors	Residential land	\$0
	Vacant commercial land	\$0
Privately owned investors from FTA partner countries or regions that have the higher threshold ⁵	Agricultural land	For Chile, New Zealand and United States of America, \$1,192 million
		Others, \$15 million (cumulative)

⁵ Agreement country or region investors are those from: the United States of America, New Zealand, Chile, Japan, the Republic of Korea, China, Singapore, Peru, a country (other than Australia) for which the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, done at Santiago on 8 March 2018, is in force (CPTPP) (as at 1 January 2020, the CPTPP is in force for: Canada, Japan, Mexico, New Zealand, Singapore and Vietnam), and the region of Hong Kong, China.

	Developed commercial land	\$1,192 million
		Low threshold land ⁶ , \$60 million
	Mining and production tenements	For Chile, New Zealand and United States of America, \$1,192 million
		Others, \$0
Privately owned investors from non-FTA countries or regions, and FTA countries or regions that do not have the higher threshold	Agricultural land	For Thailand, where land is used wholly and exclusively for a primary production business \$50 million (otherwise the land is not agricultural land)
		Others, \$15 million (cumulative)
	Developed commercial land	\$275 million
		Low threshold land ⁷ , \$60 million
	Mining and production tenements	\$0
Foreign government investors	Any interest in land	\$0

FURTHER INFORMATION

⁶ For Hong Kong and Peruvian investors, where developed commercial land is also sensitive land (see section 52(6) of the FATR), the threshold of \$60 million will apply. Low threshold land includes mines and critical infrastructure (for example, an airport or port).

⁷ Low threshold land (see section 52(6) of the FATR), includes mines and critical infrastructure (for example, an airport or port).

Further information is available on the [FIRB website](#) or by contacting +61 2 6263 3795.

Important notice: This Guidance Note provides a summary of the relevant law. As this Note tries to avoid legal language wherever possible it may include some generalisations about the law. Some provisions of the law referred to have exceptions or important qualifications, not all of which may be described here. The Commonwealth does not guarantee the accuracy, currency or completeness of any information contained in this document and will not accept responsibility for any loss caused by reliance on it. Your particular circumstances must be taken into account when determining how the law applies to you. This Guidance Note is therefore not a substitute for obtaining your own legal advice.