

Register of foreign ownership

What is this about?

The Australian government has legislated that foreign ownership of Agricultural land and water rights is information available to the public.

Under legislation, a foreign person is required to give notice to the Australian Taxation Office (ATO) if it:

- acquires or disposes of certain Australian water assets;
- becomes a foreign person while holding certain Australian water assets; or
- ceases to be a foreign person while holding certain Australian water assets

In order to comply with its obligations under the Act, MI must take steps to try and determine whether it is a foreign person. If the ATO were to enquire with MI as to how it determines whether it is a foreign person, the ATO would expect MI to have taken active steps to obtain information about the extent to which its members are foreign persons.

What does 'foreign' mean in this case?

Foreign status can apply to either a natural person or a legal entity such as a company or trust.

Essentially, a person or entity will be classified as foreign if they are not an Australian resident for tax purposes.

A corporation is considered foreign-owned if it is substantially owned by foreign individuals, corporations or governments.

It must meet either of two criteria:

- If any one shareholder owning more than 20% of its shares is classified as foreign, or
- If any group of shareholders collectively owning more than 40% of its shares is classified as foreign

Similar provisions apply to trusts and partnerships.

The ATO website explains the circumstances, and adopts the definition provided by the Foreign Investment Review Board (FIRB).

How does it affect MI shareholders?

Any shareholder that is classified as a foreign person or entity needs to inform us as soon as possible and by 30 June (in any year) if their foreign residency status changes.

You can do this simply by sending us a copy of your ATO registration of foreign interests.

For more information call us on 02 6962 0200 or visit one of our offices.

How does it affect MI customers?

MI customers (individuals and corporate entities) who are defined as foreign residents and hold MI Water Entitlements (WEs) or other water rights such as Water Access Licences must register their water holdings directly with the ATO via its website.

Agricultural land owned by foreign residents must also be registered with the ATO. This registration is between the customer and the ATO and does not involve MI.

Where can I find out more info?

For general information or to register your land and water holdings with the ATO, see:

[Registration of registrable water interests for foreign investors | Australian Taxation Office \(ato.gov.au\)](#)