



## INTERNAL REORGANISATIONS

The concept of internal reorganisations is relevant to determining the correct fee for actions that meet the definition of an internal reorganisation.

- Foreign persons must seek prior approval for proposed acquisitions that are notifiable actions (for more information, see Guidance Note 35).
- Foreign persons may also choose to notify actions that are not notifiable actions. Such actions may be significant actions.

The above actions may be taken as part of an internal reorganisation. In such cases, generally a lower fee will apply to one or more actions that are part of an internal reorganisation.

### WHAT IS AN INTERNAL REORGANISATION?

Under section 4 of the *Foreign Acquisitions and Takeovers Fees Imposition Act 2015* (Fees Imposition Act), internal reorganisation means an acquisition by an entity (the first entity) of:

- an interest in securities in another entity if:
  - both entities are subsidiaries of the same holding entity; or
  - the other entity is a subsidiary of the first entity; or
- an interest in an asset or Australian land from another entity if:
  - both entities are subsidiaries of the same holding entity; or
  - the other entity is the holding entity of the first entity; or
  - the other entity is a subsidiary of the first entity.

A diagrammatic example of an internal reorganisation is provided at Attachment A.

For *foreign government investors*, the definition as it applies to interests in Australian land has also been extended to cover interests in tenements that are not interests in Australian land. For internal reorganisations which include more than one action, of which at least one is acquiring a legal or equitable interest in a tenement, a single fee will apply to the internal reorganisation.

### FEES

The fee is payable at the time of application. Processing commences when the correct fee is paid.

For more information on the fees applying to foreign investment applications, see [Guidance Note 30](#).

## FURTHER INFORMATION

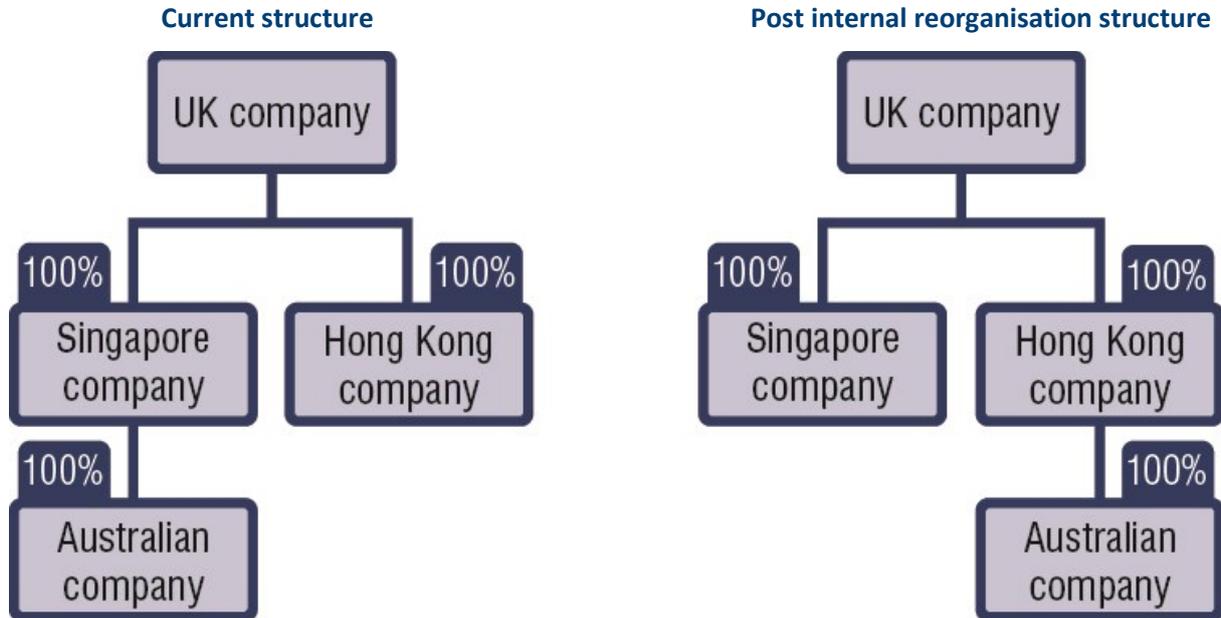
Further information is available on the FIRB website at [www.firb.gov.au](http://www.firb.gov.au) or by contacting +61 2 6263 3795.

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**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.

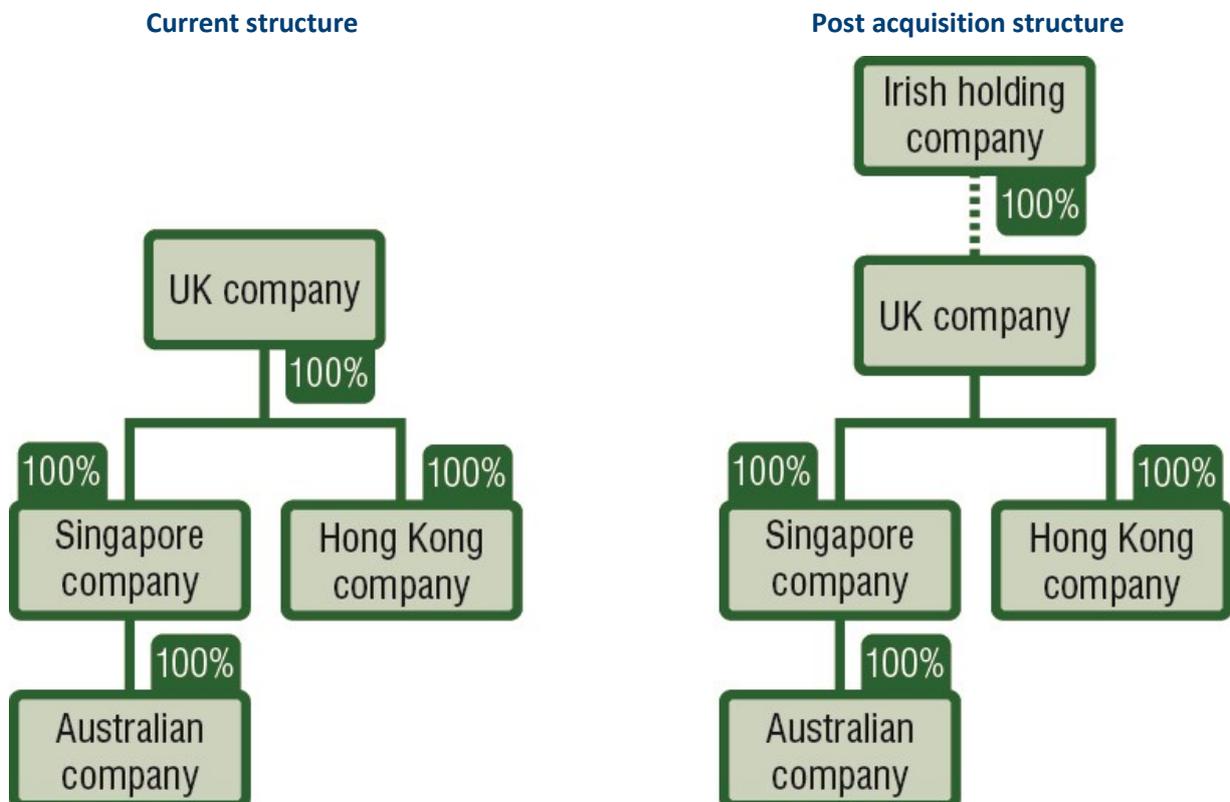
## ATTACHMENT A

### Example 1 – Internal reorganisation



This is an internal reorganisation because the parent entity (ultimate owner) remains the same.

### Example 2 – Not an internal reorganisation



This transaction would not be considered an internal reorganisation because a new parent entity has been created.