

Senate Standing Committee on Economics
ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Inquiry into the FOREIGN INVESTMENT PROPOSALS

2019 - 2020

Division: Foreign Investment Division
Topic: Timeframes on Conditions
Reference: Written

Question:

How does Treasury determine the timeframe within which a condition must be met?

- a) Does Treasury negotiate with companies on the timeframes for the completion of conditions?
- b) How much time might a company be given to comply, for instance, with Australian data storage and access requirements?

Answer:

Please refer to IQ20-000037.

(a)

No.

Please refer to IQ20-000037 and IQ20-000043.

(b)

When a foreign investor purchases an Australian business, it may not be able to instantaneously transform its operations to comply with conditions. If conditions imposed on the acquisition require substantive change, the wording of the condition typically specifies the required end-point and any intermediate steps that may be required.

In considering compliance timeframes, Treasury liaises closely with the consultation partners that were involved in recommending the condition.

The time permitted for full compliance is determined on a case by case basis, having regard to the assessed risk to the national interest from non-compliance.