

5 February 2021

(21-0964)

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**Council for Trade in Services**

Original: English

**NOTIFICATION PURSUANT TO ARTICLE III:3 OF THE  
GENERAL AGREEMENT ON TRADE IN SERVICES**

The following notification, dated 5 February 2021, from the delegation of Australia, is being circulated to Members of the Council for Trade in Services.

**1 MEMBER NOTIFYING:**

Australia

**2 NOTIFICATION UNDER:**

Article III:3 of the General Agreement on Trade in Services

**3 DATE OF ENTRY INTO FORCE:**

1 January 2021

**3.1 Duration:**

Indefinite

**4 AGENCY RESPONSIBLE FOR ENFORCEMENT OF THE MEASURE:**

The Treasury

**5 DESCRIPTION OF THE MEASURE:***Measure:**Foreign Investment Reform (Protecting Australia's National Security) Act 2020**Foreign Investment Reform (Protecting Australia's National Security) Regulations 2020**Description:*

The Act and Regulations include a package of reforms to ensure Australia's foreign investment screening framework keeps pace with emerging risks and global developments while remaining a welcoming destination for foreign investment.

The Act improves and updates the operation of the framework across national security, compliance monitoring and enforcement, and integrity as well as streamlining requirements and making technical changes to improve the operation of the law.

*The Act:*

- introduces a new national security review and gives the Treasurer as a last resort, the ability, in extraordinary circumstances, to issue a divestment order where there is no other remedy for a national security risk;
- strengthens the Treasurer and Commissioner's enforcement powers through increased penalties, directions powers and new monitoring and investigative powers;
- improves the integrity of the framework by closing potential gaps in the screening regime;

- streamlines requirements regarding certain foreign government investors that have no influence or control over the investment, operational decisions or underlying assets;
- expands the information sharing arrangements to assist with the Treasurer and Commissioner's compliance activities and address national security risks;
- establishes a new Register of foreign owned assets to record all foreign interests acquired in Australian land; water entitlements and contractual water rights; and business acquisitions that require foreign investment approval; and
- provides that fees are payable for the new types of actions established under the reforms.

Australia has listed horizontal limitations in its GATS schedule for the commercial presence mode of supply in relation to Australia's foreign investment framework.

Further details on the reforms can be found at: <https://firb.gov.au/>

**6 MEMBERS SPECIFICALLY AFFECTED, IF ANY:**

None

**7 TEXTS AVAILABLE FROM:**

The Treasury  
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Web: <https://firb.gov.au/>

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