



Commonwealth of Australia

Migration Regulations 1994

ELIGIBLE MANAGED FUND INVESTMENTS

(Regulation 5.19B)

I, *CHRIS BOWEN*, Minister for Immigration and Citizenship, acting under subregulation 5.19B(2)(c) of the *Migration Regulations 1994* ('the Regulations') hereby:

1. SPECIFY the following **investments in managed fund investments** for the purposes of paragraph 5.19B(2)(c) of the Regulations:
 - (a) infrastructure projects in Australia;
 - (b) cash held by Australian deposit taking institutions;
 - (c) bonds issued by the Commonwealth Government or a State or Territory government;
 - (d) bonds, equity, hybrids or other corporate debt in companies and trusts listed on any Australian Stock Exchange;
 - (e) bonds or term deposits issued by Australian financial institutions;
 - (f) real estate in Australia;
 - (g) Australian Agribusiness; and
 - (h) other ASIC regulated managed funds that invest in the above list of investments.

This instrument, IMMI 12/117, commences on **24 November 2012**, immediately after the commencement of the *Migration Amendment Regulation 2012 (No. 7)*.

Dated 22 November 2012

Chris Bowen

Minister for Immigration and Citizenship

[NOTE 1: Subregulation 5.19B(1) of the Regulations provides that an investment by a person (the investor) is a *complying investment* if all of the requirements in this regulation are met.

NOTE 2: Subregulation 5.19B(2) of the Regulations provides that investment must consist of one or more of the following: (a) an investment in a government bond (however described) of the Commonwealth, a State or Territory; or (b) a direct investment in an Australian proprietary company that meets the following requirements: (i) the company is not listed on an Australian stock exchange; (ii) the company has not been established wholly or substantially for the purpose of creating compliance with this paragraph; (iii) the investment is an ownership interest in the company; or (c) an investment in a managed fund (directly or through an investor directed portfolio service) for a purpose specified by the Minister in an instrument in writing for this paragraph.]

EXPLANATORY STATEMENT

Migration Regulations 1994

ELIGIBLE MANAGED FUND INVESTMENTS

(Regulation 5.19B)

1. This Instrument is made under paragraph 5.19B(2)(c) of the *Migration Regulations 1994* ('the Regulations').
2. Subregulation 5.19B(1) of the Regulations provides that an investment by a person (the investor) is a **complying investment** if all of the requirements in the regulation are met.
3. Paragraph 5.19B(2)(c) of the Regulations provides that an investment in a managed fund (directly or through an investor directed portfolio service) is for a purpose specified by the Minister by Instrument in writing.
4. The purpose of the Instrument is to specify **eligible managed fund investments**.
5. The Instrument operates to limit investments in complying managed funds to the following:
 - (a) Infrastructure projects in Australia;
 - (b) Cash held by Australian deposit taking institutions;
 - (c) Bonds issued by the Commonwealth Government or a State or Territory Government;
 - (d) Bonds, equity, hybrids or other corporate debt in companies and trusts listed on any Australian Stock Exchange;
 - (e) Bonds or term deposits issued by Australian financial institutions;
 - (f) Real estate in Australia;
 - (g) Australian Agribusiness; and
 - (h) Other ASIC regulated managed funds that invest in the above list of investments.
6. Consultation was undertaken before the instrument was made with a wide range of Commonwealth Government Departments, State/Territory Government Departments and industry stakeholders.

7. The Office of Best Practice Regulation has advised that a Regulatory Impact Statement is not required (OBPR Reference 13762).
8. Under section 44 of the *Legislative Instruments Act 2003* the Instrument is exempt from disallowance and therefore a Human Rights Statement of Compatibility is not required.
9. The Instrument commences on **24 November 2012** immediately after the commencement of the *Migration Amendment Regulation 2012 (No. 7)*.