

Module	FOREIGN COMPANIES
Jurisdictions	CTH, NSW, VIC, SA, TAS, WA, NT, QLD, ACT
Legal Expert	DOUGLAS GRATION Barrister at Victorian Bar https://www.vicbar.com.au/profile/7765 https://www.linkedin.com/in/douglas-gration-99750127/?originalSubdomain=au

Module Application

The *FOREIGN COMPANIES* module would inform any foreign company as well as their local agent(s) who plan to start a business, conduct a business or wind up a business in Australia.

The module focuses on the obligations of foreign companies that intend to carry on a business in Australia in their own right, without incorporating a separate Australia entity or creating a subsidiary.

The *FOREIGN COMPANIES* module covers the establishment of appropriate processes and procedures to ensure compliance with Australian laws which are primarily contained in;

- › The Corporations Act 2001 (Cth); and
- › Corporations Regulations 2001 (Cth).

The foreign company has an obligation to register with the Australian Securities and Investments Commission (ASIC) which involves;

- › reserving a name with ASIC;
- › appointing a local agent(s);
- › registering an office in Australia and advising ASIC of opening hours; and
- › ensuring that the appointed local agent understands their obligations.

Following registration the operations of the foreign company are primarily administered and managed by the local agent and include;

- › establishing and maintaining robust and effective processes, policies and procedures with regard to operating and providing notification to ASIC;
- › lodging financial reports with ASIC including the required format and time frames; and
- › notifying ASIC of any changes or if it is no longer operating in Australia.

Contraventions or breaches of the Act may lead to a foreign company and / or its local agent being convicted of an offence. In some instances local agents may be held personally liable either instead of or as well as the foreign company. Penalties can include;

- monetary;
- penalty notices from ASIC.

The *FOREIGN COMPANIES* module does not cover foreign companies that intend to incorporate a separate Australian identity or create a subsidiary in Australia.

The module does not provide specific legal advice and it is advised that a foreign company should obtain specific legal advice before conducting business in Australia.

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