

AUSTRALIAN GOVERNMENT INCENTIVES FOR FOREIGN INVESTORS



Foreign companies seeking to avail tax incentives from the Australian government can take advantage of multiple tax benefits offered at the federal and state levels. These incentives include:

- Foreign Income Tax Offset (FITO)
- Early Stage Investment Incentives
- Research and Development (R&D) Tax Incentives
- Junior Minerals Exploration Incentives
- Conservation Incentives
- Screen Production Incentives



Early Stage Investment Incentive	Research and Development (R&D) Tax Incentive	Foreign Income Tax Offset (FITO)
<p>WHAT IT OFFERS</p> <p>The Early Stage Investment Incentive grants investors with tax benefits after securing equity in Early Stage Innovation Companies (ESIC, or startups with less than \$200,000 in revenue and less than \$1 million in expenses).</p> <p>It offers the following tax incentives:</p> <ul style="list-style-type: none"> • 20% non-refundable tax offset on investments, capped at \$200,000 per investor per year • 10-year exemption on capital gains tax, as long as investments are held for 3 years <p>ELIGIBILITY</p> <p>To be qualified to invest in an ESIC, an individual must either:</p> <ul style="list-style-type: none"> • meet the 'sophisticated investor' test under the Corporations Act 2001 or • have a gross annual income of \$250,000 or more in each of the previous 2 years; or net assets of at least \$2.5 million 	<p>WHAT IT OFFERS</p> <p>The R&D Tax Incentive offers tax relief to startups and investors involved in the development of innovative products and processes in the science and technology space.</p> <p>It grants a 43.5% or 38.5% income tax offset, paid as a cash rebate for qualifying R&D projects.</p> <p>ELIGIBILITY</p> <p>To claim tax relief through the R&D Tax Incentive, a company must have an annual turnover of less than \$20 million and conduct eligible R&D activities.</p>	<p>WHAT IT OFFERS</p> <p>Foreign investors paying foreign tax in another country can claim foreign income tax offset in Australia. This is made available to avoid double taxation.</p> <p>ELIGIBILITY</p> <p>To be eligible to claim FITO, a foreign investor must:</p> <ul style="list-style-type: none"> • have paid an amount of foreign income tax on their foreign income • include the income or capital gain they paid foreign income tax on in their assessable income for Australian income tax purposes

Junior Minerals Exploration Incentives (JMEI)	Conservation Incentives	Screen Production Incentives
<p>WHAT IT OFFERS</p> <p>The JMEI incentivises investments in junior exploration companies, enabling investors to convert a portion of their tax losses into tax credits.</p> <p>ELIGIBILITY</p> <p>Eligibility is limited to investors that purchase newly-issued shares.</p>	<p>WHAT IT OFFERS</p> <p>Tax deductions of up to \$20,000 annually over a period of years for investors seeking to contribute to conservation projects throughout Australia.</p> <p>ELIGIBILITY</p> <p>Investors who donate property to eligible environmental bodies; the minimum value of a donated property should be \$5,000 to be eligible.</p>	<p>WHAT IT OFFERS</p> <p>Tax incentives for film, television, and other screen production in Australia. Currently, screen production incentives are offered under 3 schemes:</p> <ul style="list-style-type: none"> • Producer Offset – 40% rebate to production companies on feature films and 20% on television productions with Australian content; • Location Offset – 16.5% rebate for large-budget television projects filmed in Australia; and • Post, Digital, and Visual Effects (PDV) Offset – 30% rebate for all visual effects production in Australia, regardless of where the film was shot. <p>ELIGIBILITY</p> <p>Investors in the screen production industry must meet any of the conditions stipulated above to be eligible for their preferred incentive scheme.</p>

WANT ACCESS TO THE BEST TAX INCENTIVES AVAILABLE TO YOUR INVESTMENTS AND BUSINESSES IN AUSTRALIA?

We have assisted hundreds of foreign companies with finding the most suitable tax incentives for their investments and local entities in Australia. Our grant specialists will help you apply for the right tax incentives.

