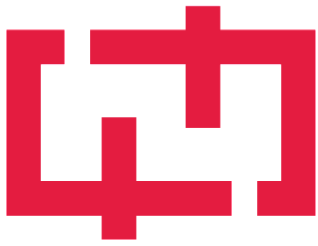


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## Acquisition of Property in Australia – Possible Solutions

### Possible Solution #1

A possible solution to the FIRB restrictions is for the property not be acquired as such. Rather, loan funds are provided.

There have been situations where funds have been provided to family members to acquire a property on their behalf. Unfortunately there has been no documentation attached to the provision of those funds and the property has never reverted to whom it was intended.

Where loan funds are provided, or where the property is not in the name of the person who has provided the funds, the loan fund be documented and security taken over the property in the form of a first mortgage.

There is no restriction on mortgages being acquired or provided by foreigners. However their interests need to be protected.

This may prove useful in the future where the loan provider becomes an Australian resident. In which case should the situation arise where there is default in the mortgage then the property for which loan funds were provided can be taken or acquired.

The only down side with this is that stamp duty would be imposed in this acquisition as it would be considered to be a conveyance.

### Possible Solution #2

There is no issue with a company acquiring a property provided it is used to house foreign employees.

Where an overseas entity has a project that it wishes to participate in or commence or even acquire in Australia, property can be acquired to accommodate the incoming employees and their family.

There is no restriction on the number of properties that a company can purchase, however, it must be provided for employees of the foreign firm.