



# Foreign Influence Transparency Scheme

**Factsheet 3**

February 2019

## Foreign principals<sup>1</sup>

Persons undertaking registrable activities on behalf of a foreign principal for the purpose of political of government influence must register under the scheme.

A foreign principal is:

- a foreign government
- a foreign political organisation
- a foreign government-related entity, or
- a foreign government-related individual.

## Foreign government

A foreign government is:

- the government of a foreign country or parts of government of a foreign country
- an authority of the government of a foreign country (departments, agencies or other entities that act in the name of the foreign government)
- an authority of the government or parts of government of a foreign country, or
- a foreign local government body or foreign regional government body.

This definition captures all levels of government. For example, the Home Office is an authority of England's government as is the London Borough City Council. Both meet the definition of a foreign government under the scheme.

People undertaking registrable activities on behalf of a foreign government who are not subject to exemption should register under the scheme.

## Foreign political organisation

A foreign political organisation is:

- a foreign political party, or
- a foreign organisation that exists primarily to pursue political objectives.

An organisation is a foreign political organisation if its primary purpose is to pursue the political objectives associated with governing a foreign country, even if the foreign country does not have a system of registration for political parties.

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<sup>1</sup> Section 10 *Foreign Influence Transparency Scheme Act 2018*

## Foreign government-related entity

A foreign government-related entity can be:

- a company where one or more of the following applies:
  - the foreign government or foreign political organisation holds more than 15 per cent of the issued share capital of the company
  - the foreign government or foreign political organisation holds more than 15 per cent of the voting power in the company
  - the foreign government or foreign political organisation is in a position to appoint at least 20 per cent of the company's board of directors
  - the directors of the company (however described) are accustomed or under an obligation (whether formal or informal) to act in accordance with the directions, instructions or wishes of the foreign government or foreign political organisation, or
  - the foreign government or foreign political organisation is in a position to exercise total or substantial control over the company.
- an entity that is not a company and either of the following applies:
  - the members of the executive committee (however described) of the entity are accustomed or under an any kind of obligation to act in accordance with the directions, instructions or wishes of the foreign government or foreign political organisation, or
  - the foreign government or foreign political organisation is in a position to exercise total or substantial control over the entity
- an entity that is not a body politic and both of the following apply:
  - its directors, officers or employees are required to be a member or part of a foreign political organisation, and
  - the above requirement is contained in a law, constitution, rules or governing documents by which the entity operates.

Where an entity receives funding from a foreign government or foreign political organisation, this is not a sufficient link for the purposes of the scheme. If funding is the only link between the entity and the foreign government or foreign political organisation, then the entity would not be a foreign government-related entity.

## Foreign government-related individual

An individual is a foreign government-related individual if the individual is not an Australian citizen or an Australian permanent resident, and a foreign government, foreign government-related entity or foreign political organisation is able to exercise total or substantial control over the individual. This might be because the individual is accustomed or under an obligation (formal or informal) to act in accordance with the directions, instructions or wishes of the foreign government, foreign government-related entity or foreign political organisation, or they are in a position to exercise such control for other reasons.

A person is not a foreign government-related individual if the only reason they satisfy the definition is because the individual is under an obligation to obey the laws of a foreign government. This scenario represents a relationship between the individual and the foreign principal that is already transparent if the laws are public knowledge.

People undertaking registrable activities on behalf of a foreign government-related individual will need to register under the scheme.