



PRIME MINISTER

STATEMENT BY THE PRIME MINISTER, THE RT. HON.

WILLIAM McMAHON, CH, MP

IN THE HOUSE OF REPRESENTATIVES, CANBERRA

OUTWARD PORTFOLIO INVESTMENT

28 SEPTEMBER, 1972

Following my announcement on policy changes in respect of overseas investment, I now wish to give details of the new exchange control policy which will apply for the time being to portfolio investment abroad by Australian residents.

Persons or companies wishing to invest abroad should apply by letter through their bankers for the necessary Reserve Bank authority. Applications by individuals for amounts up to \$10,000 in any period of twelve months in total will normally be readily approved. Institutional investors, public companies and the like can normally expect to be permitted to make investments up to \$1 million in any period of twelve months. Applications for amounts in excess of the amounts mentioned will be considered in special circumstances.

Eligible investments will include portfolio investment overseas in stocks and shares and purchase of real estate, but will not include investment in loans or other fixed interest securities.

The general arrangements will, of course, be subject to review from time to time.

This policy change is the first significant relaxation in the almost complete embargo on portfolio investment overseas which had operated since exchange control measures were introduced in 1939. Policy towards direct investment overseas has, however, been very liberal for a number of years and will continue unchanged.