




# SMSF **CHECKLIST**

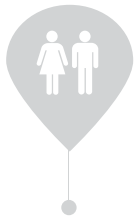
Thinking of establishing an SMSF? Follow the steps in this guide to ensure everything is done in the correct sequence.



# SELF MANAGED SUPERANNUATION FUNDS

## Establish an SMSF: Checklist

Thinking of setting up an SMSF? Follow the steps below to ensure everything is done in the correct sequence.



Individual trustees



(Maximum 4 X trustees)



(Maximum 4 X members)



Corporate trustee



(All members must be directors of trustee company)



### Step 1

Decide on the trustees

You can use individual trustees or a corporate trustee. Either way you can only have a maximum of four members. For an SMSF with individual trustees, all members of the fund must be trustees. In the case of a single member fund, you will need to find another person to act as a trustee. This person can be a relative, but not an employer.

If you choose a corporate trustee, each member must be a director of the company. If it is a single member fund then you can act as the sole director of the company.



### Step 3

Sign a trustee declaration

Each trustee needs to sign a trustee declaration, this must be done within 21 days of establishing the fund. These can be obtained directly from the ATO but should be provided when purchasing SMSF document packages from legal document providers.



### Step 2

Execute a trust deed

A solicitor must prepare the deed. To execute the trust deed, it must be signed and dated by the trustees.

The trust deed sets out the rules for your SMSF, and if drafted properly, the fund will be eligible for tax concessions. It is the tax concessions that make superannuation such an attractive investment medium.



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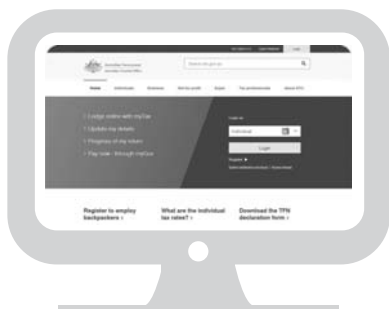
## SMSF Checklist



### Step 4

Obtain an ABN/TFN

An ABN/TFN is required for the SMSF. The application for the ABN/TFN includes registering as an ATO regulated fund. The application needs to be submitted to the ATO within 60 days of executing the trust deed. These registrations are required to allow contributions/rollovers to the SMSF.



ABN/TFN applications can be lodged online through the ATO portal.

“The ATO records an average of 36,000 SMSF establishments per year (2011 - 2015).”



### Step 5

Create a register

A register is required to record formalities such as minutes of meetings, register of trustees, nomination of members and a detailed investment strategy. The register can be a simple ring binder.

A superannuation deed and the supporting documents are generally filed away in a simple ring binder and kept in a secure location at the home or office. A copy should also be scanned and stored in PDF format on your computer.



### Step 6

Open a bank account

The trustees need to open a bank account in the name of the SMSF. EG: "John Citizen as trustee for the Citizen Superannuation Fund". The trustees will need to provide a signed copy of the SMSF deed and pass a "100" point identity check.

The bank account exists to accept contributions. These include rollovers of super benefits and investment earnings. The SMSF will only commence when a contribution has been deposited into the account. A contribution should be made as soon as possible to ensure the fund remains compliant.



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## SMSF Checklist



### Step 7

Implement an investment strategy

**An appropriate investment strategy that takes the needs of all members into consideration needs to be implemented.**



### Step 8

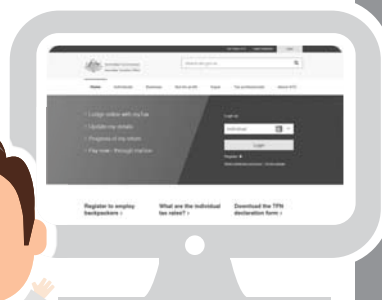
Annual audit and tax return.

**An accountant needs to be engaged to lodge an annual tax return.**

The fund will also need to be audited annually with an ASIC approved SMSF Auditor.



An SMSF auditor is required to hold an accounting qualification or must have completed a course of study in auditing. A competency examination needs to be completed before being registered with ASIC.



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In 2014, for the first time, the average assets in self managed super funds exceeded \$1 million.\*

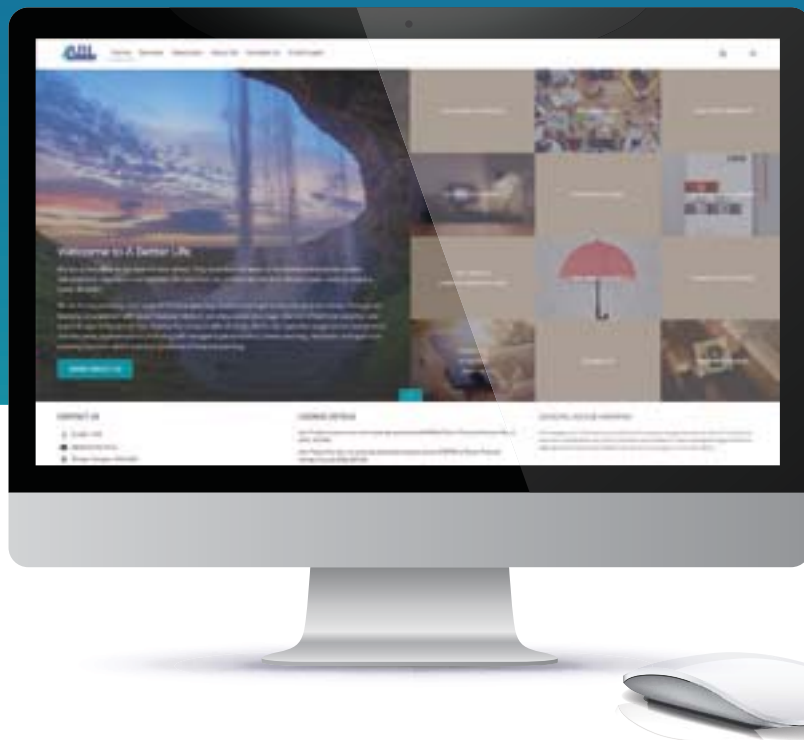
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\*Source - Australian Tax Office

## SUMMARY



- Decide on the trustees
- Execute a trust deed
- Sign a trustee declaration
- Obtain an ABN/TFN
- Create a register
- Open a bank account
- Implement an investment strategy
- Annual audit and tax return



#### GENERAL ADVICE WARNING

The advice may not be suitable to you because it contains general advice which does not take into consideration any of your personal circumstance. All strategies and information provided on this website are general advice only.



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