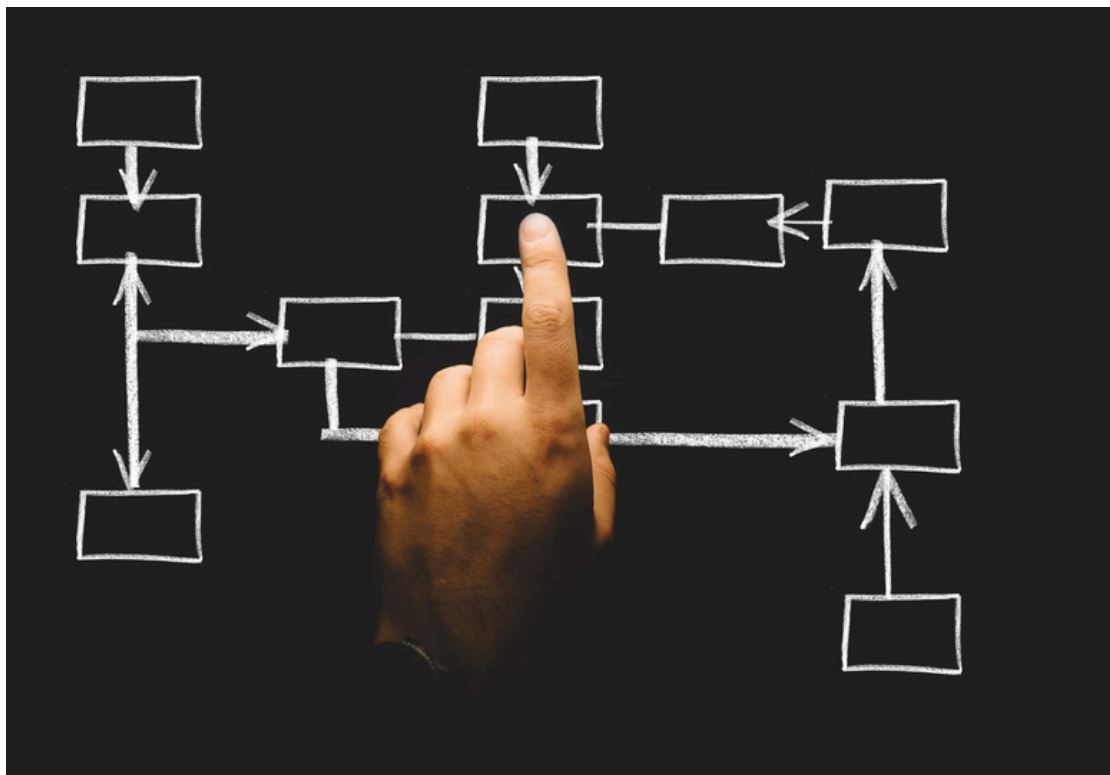


5 THINGS THAT CAN GO WRONG WITH THE MANAGEMENT OF YOUR SMSF TRUSTEE AND CUSTODIAN COMPANIES



Disclaimer

The information contained in this newsletter is purely factual in nature and does not take account of your personal objectives, situation or needs. The information is objectively ascertainable and, therefore, does not constitute financial product advice. It is not intended to be financial product advice, legal advice or tax advice and should not be relied upon as such. It is provided for the use of a Self-Managed Superannuation Fund Trustee or a person who has already made the decision to establish a Self-Managed Superannuation Fund only. In no circumstances, is it to be used by a person for the purposes of making a decision about establishing a Self-Managed Superannuation Fund. Best Practice SMSF Pty Ltd is not licensed to provide financial product advice under the Corporations Act 2001. If you require personal advice you should consult an appropriately licensed or authorised financial adviser. Liability limited by a Scheme approved under the Professional Standards Legislation.



CHARTERED ACCOUNTANTS
AUSTRALIA + NEW ZEALAND

LIABILITY LIMITED BY A SCHEME APPROVED UNDER PROFESSIONAL STANDARDS LEGISLATION



INTRODUCTION

It is generally accepted as best practice to have a corporate trustee for your SMSF. Setting up and managing your corporate trustee (and any associated custodian company) comes with its own set of rules and requirements that are enforced by the Australian Securities and Investment Commission (ASIC).

Getting the company set up to suit your needs and appointing an ASIC Agent to help you manage your corporate responsibilities is one of the first things you will do on your SMSF journey.

Let us help you avoid five mistakes we've seen with SMSF trustee and custodian companies:

YOU DO NOT OBTAIN A DIRECTOR IDENTIFICATION NUMBER BEFORE ESTABLISHING YOUR SMSF TRUSTEE COMPANY



If you've never been a director before, the first thing you need to do is to obtain your Director Identification Number via the Australian Business Registry Service (ABRS). There are seriously large fines if you are a director of a company and do not have a Director Identification Number.



Jump on the ABRS website and arrange your Director ID well ahead of setting up your SMSF

YOU DO NOT SET UP YOUR SMSF TRUSTEE AS A SPECIAL PURPOSE TRUSTEE COMPANY



It's usually a simple tick box on the order form to elect to be a special purpose trustee company but if it gets missed by you or your trusted provider and it's not picked up then you'll have some work to do to fix it. In the meantime, you'll be paying several hundred dollars more every year to have your company.



Check that the ASIC Form 201 has superannuation trustee ticked and if not let your ASIC Agent know.

YOU DO NOT SIGN THE ANNUAL SOLVENCY DECLARATION AS REQUIRED

Each year, one of your director responsibilities is to declare that your company remains solvent. The legislation allows you two months from the registration anniversary date to meet this requirement. Attending to and retaining company records is a critical part of your director duties.



**QUICK
TIPS**

Sign your Annual Statement and solvency resolution as soon as you receive it from your ASIC Agent

YOU DO NOT PAY THE ANNUAL ASIC INVOICE ON TIME



ASIC's systems are set up to fine you automatically if you don't pay the annual ASIC invoice on time and the fine amount is much more than the fee itself. Continued non-payment can result in your company being deregistered and the consequences and costs associated with that can run into the tens of thousands depending on what your SMSF owns at the time.



**QUICK
TIPS**

Use an ASIC Agent that pays the ASIC invoice for you or make sure you pay it as soon as you receive it. ASIC will even let you pay ten years in advance, but work out if that makes sense because they don't refund if you don't keep your company that long.

YOU DON'T NOTIFY CHANGES TO YOUR PERSONAL DETAILS WITHIN 28 DAYS



The records of your company are public records that are accessible via the ASIC website. The details you have recorded need to be kept up to date as part of your director responsibilities. You are required to notify ASIC within 28 days of a change or strict fines apply.



**QUICK
TIPS**

Add ASIC to your list of entities to advise when you change address or other personal details

ABOUT BEST PRACTICE SMSF

Best Practice SMSF provides practical tools and resources to SMSF Trustees, Accountants and Advisers and anyone with an interest in Self-Managed Super. Our Videos, Templates, Checklists and Newsletter are designed to help with increasing knowledge about SMSFs so informed decisions can be made and costly unwanted outcomes are avoided.

Best Practice SMSF is a CAANZ Public Practice.

Join our Membership



Best Practice Tools and Resources for a better retirement

For a small annual fee, get access to practical resources to help you navigate throughout your SMSF journey.

[CLICK HERE](#)