

## **Super Advice – Super Critical**

The Australian Taxation Office (ATO) announced an increase in its monitoring of self-managed super fund (SMSF) operations by stepping-up its auditing of SMSF trustees in areas of income, tax and regulatory compliance specifically involving loans, related party transactions and SMSF returns lodgements.

Funds with a history of compliance breaches will attract particular interest.

After this statement was made, the SMSF Professionals' Association of Australia (SPAA), suggested that the need for SMSF trustees to seek the advice of a professional has never been more critical.

Increasingly complex legislation marks superannuation as an extremely difficult industry to keep up to date with. And given the amount of scrutiny SMSFs can expect, it's imperative that trustees surround themselves with tax and planning professionals.

As the SMSF sector grows, it also draws scrutiny of a different kind. SMSF Essentials, a news source backed by Money Management, recently issued a warning to trustees to be watchful for fraudulent investment schemes and property developers.

When the rules relating to SMSFs borrowing to invest were relaxed, property investment became one of the most popular superannuation strategies. Unfortunately, popularity has a tendency to attract unscrupulous operators wanting a slice of the pie and creating scams to trap unsuspecting trustees.

The ATO warns that "SMSF trustees are responsible to ensure they and their SMSF comply with super laws". This means that ignorance is not a defence: if you're not 100% sure of what you're doing, professional advice is essential.

Penalties for non-compliance range from the fund being forcibly wound-up, to trustees being fined or even sentenced to prison.

It's not worth the risk!

Seeking the assistance of a professional adviser isn't just about compliance.

Consider a family business with a number of family members working there. Grandfather Barry started the business and is due to retire soon. Peter and Sue, the son and daughter-in-law, will take over the business, and their son Jason, in his early 20s, is learning the ropes.

Each person's investment and insurance needs are different, as is their risk tolerance. Additionally, under the right circumstances, Barry's retirement could potentially provide tax advantages for the fund.

Professional advisers work with trustees to identify the express needs of the SMSF and its members.

As a trustee, you're not expected to know everything. But you are responsible for maintaining the fund's asset and regulatory integrity.

If that means engaging a professional and seeking their advice, consider it an investment in the members' futures.

Please contact us for more information

Source:

[www.spaa.asn.au](http://www.spaa.asn.au) Eyes on super

[www.ato.gov.au](http://www.ato.gov.au) Self-managed super funds – be aware