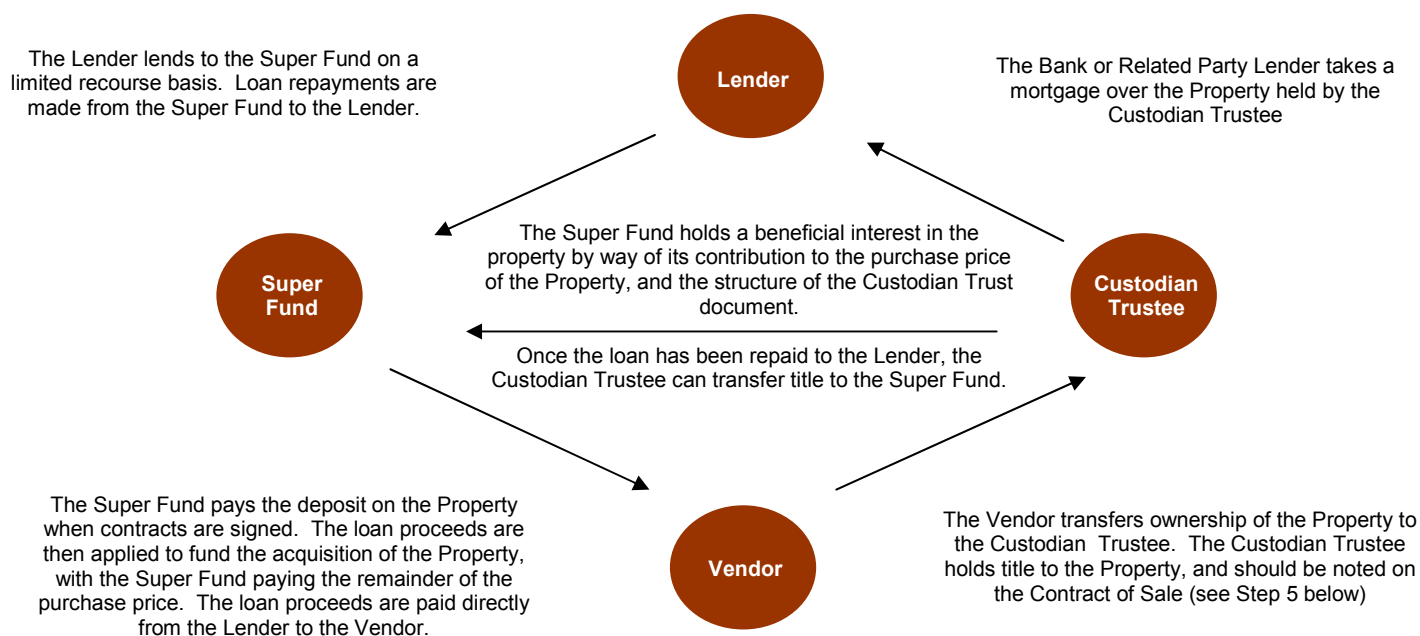


SMSF Borrowing



Topdocs can provide you with a complete SMSF Borrowing solution - from Lender and / or Finance Broker introductions, preparation of the Custodian Trust and related documents, to settlement of the Property.

How a Complying SMSF Loan works



The 6 Steps in completing an SMSF Borrowing

Step 1 - Find the Property the Super Fund wishes to purchase

The property must be a property that the Super Fund could otherwise invest in if bought outright, and must comply with the in-house assets rule and sole purpose tests.

Step 2 - Obtain pre approval of the Loan

Step 3 - Determine who will act as Trustee of the Custodian Trust.

The Trustee of the Custodian Trust cannot be the same Trustee as the Trustee of the Super Fund. Topdocs recommends you use a Company to act as Trustee of the Custodian Trust.

Step 4 - Have the required documentation completed for the Fund to commence the borrowing.

This documentation is required for the Fund to comply with the SIS Legislation and the Australian Tax Office requirements. This documentation includes:

1. The Custodian Trust (also sometimes called a Bare Trust).
2. Establishing a company to act as Trustee of the Custodian Trust (if required)
3. Updating the Super Fund Trust Deed (if required)
4. Updating the Fund's Investment Strategy (if required)

Step 5 - Sign the contract in the name of the Custodian Trustee (or as required by your state revenue office)

NOTE: the contract of sale can be signed before pre approval of the Loan, but it is best for the contract to be signed after the Custodian Trustee has been determined (or if a Company, established) so the Custodian Trustee can be noted on the contract. Some states require specific wording on the contract of sale - contact Topdocs for more information regarding this.

Step 6 - Settle the property with the Custodian Trustee as the title holder.

[For more information on SMSF Complying Loans, contact Topdocs on 1300 659 242.](#)