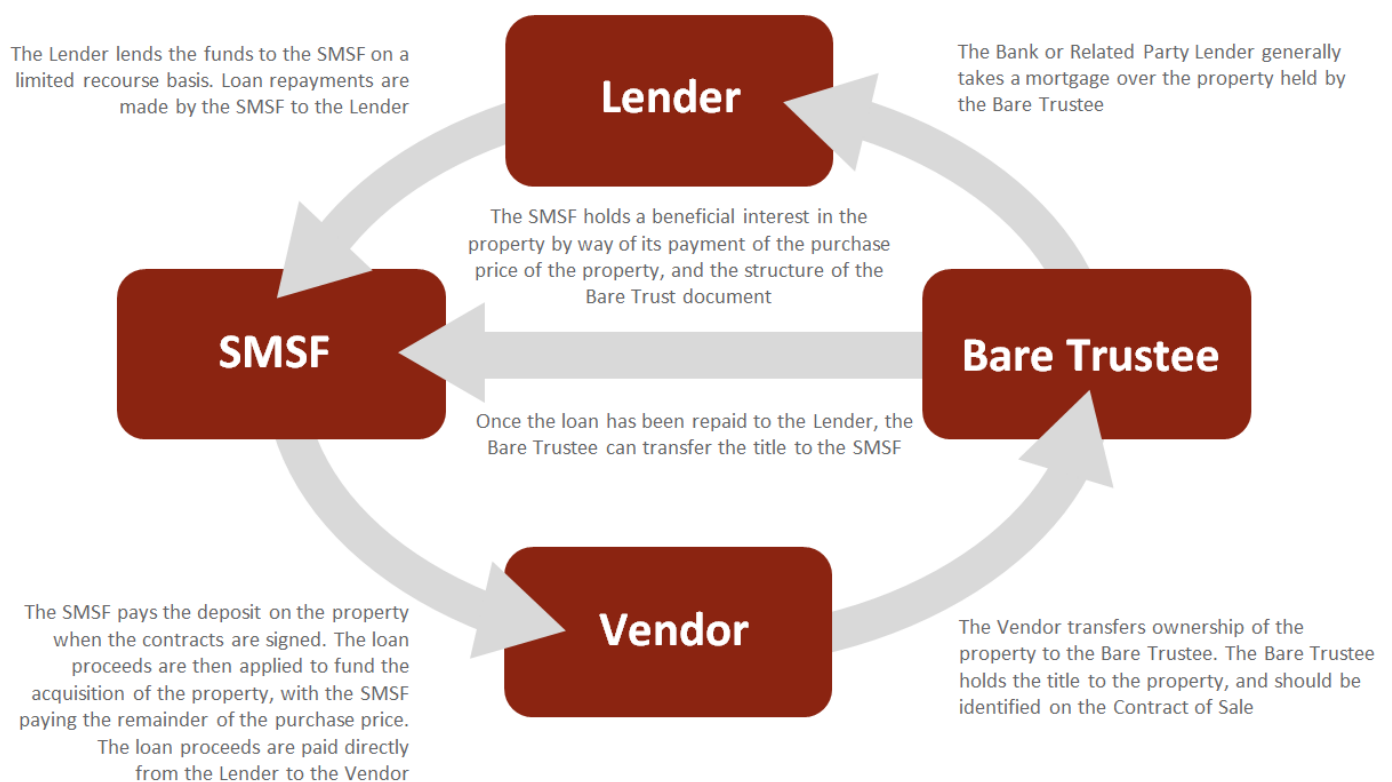


## SMSF BORROWING

Topdocs provides a complete SMSF borrowing solution - from lender and/or finance broker introductions, preparation of the bare trust and related documents, to settlement of the property.

### How a complying SMSF loan works



### The 6 steps to complete 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 Bare Trust.

The trustee of the Bare Trust cannot be the same trustee as the trustee of the Super Fund. Topdocs recommends you use

Current as at 1 August 2013.

Please note this article is for information purposes only and does not constitute legal advice.

## SMSF BORROWING

a company to act as trustee of the Bare 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 and includes:

1. The Bare Trust (also sometimes called a Custodian Trust or Instalment Warrant) including the appropriate SMSF limited recourse loan documentation.
2. Establishing a company to act as trustee of the Bare 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 Bare 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 Bare Trustee has been determined (or if a company, established) so the Bare 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 Bare Trustee as the title holder.**

#### **More information**

Should you have any queries or require more information, please contact the team at Topdocs on 1300 659 242.

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