

HOT TOPIC

Property and Your Self Managed Superannuation Fund (SMSF)

All assets must be held in the correct name in a SMSF

The correct name should be:

XYZ Pty Limited
<a/t/f> XYZ Superannuation Fund

It is vitaly important that if real estate is held in a SMSF the ownership is verified by your auditor via a search of the Land Titles Office.

This key search will indicate:

- Registered Owner
- That no charges or mortgages exist on the property

Some states not recognising SMSF

Several states do not allow real estate to be registered in the name of a SMSF. This being the case your auditor will be required to verify that the SMSF has a Deed of Trust over the property (or Caveat lodged on title).

Costs

A land titles search will cost somewhere between \$10-\$20 (depending on state) and is deductible to the fund. There may also be some legal costs in having your lawyer draft up a Deed of Trust.

THIS IS A SMALL PRICE TO PAY IN PROTECTING THE MEMBERS BENEFITS.

The SMSF audit team at Economos routinely perform title searches for SMSF clients. The compliance consequences of not having real estate struck in the correct name are dire.