Self Managed Superannuation: "Grandfathered 1999 Unit Trusts"

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Part 8 of the SIS Act places a general prohibition on self-managed superannuation funds ("**SMSFs**") investing more than 5% of their assets in 'in-house assets'. However, there are exceptions to this general rule. In particular, SMSFs are allowed to invest in certain non-geared unit trusts and companies (i.e. those that have no borrowings).

However, the provisions governing these in-house investments only took effect from 12 August 1999 under *Act No 199* of 1999. Under that amending legislation special 'Transitional Rules' were created to apply to investments that were already made in related companies and unit trusts prior to 12 August 1999. These Transitional Rules essentially held that if the SMSF had already invested in the unit trust (or company) before 12 August 1999 then the SMSF was allowed to continue to invest in the entity until 30 June 2009.

1. **Name of Fund:** _____
2. **Address of Fund:** _____

Only 1 address is required for all members. This may be the Advisers address)

3. **Name of Unit Trust:** _____
4. **Date of Unit Trust** _____

5. Details

Trustee(s)	❑ All the members **below** are trustees ❑ Company _____
Member 1	
Member 2	
Member 3	
Member 4	

4. I Enclose (tick box):

- ❑ The Self-Managed Superannuation Fund Deed
- ❑ All variations of the Self-Managed Superannuation Fund Deed (if any)
- ❑ The last financials of the Self-Managed Superannuation Fund Deed
- ❑ The 1999 Compliant Unit Trust Deed
- ❑ The last financials of the Unit Trust

5. Cost: $2,200 (as of March 2008) Phil Simmonite of Brett Davies Lawyers will:

1. Update your Deed to ensure it complies with the rules now and going forward
2. Insert a complying Product Disclosure Statement
3. Provide an up-to-date Investment Strategy (ready for you to complete)
4. Fully update for "1 July 2007" changes
5. Give advice on whether you can continue to gear the Unit Trust and how to operate the Unit Trust post 30 June 2009.

❑ **Charge my credit card** Card Type ❑B/Card ❑Visa ❑M/Card

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Name on Card | | Expiry /20__

Please fax to Brett Davies Lawyers on 08 9325 5999, or post to:
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