

# SMSF LRBA Essentials Guide

Steps	SMSF - LRBA checklist item	SMSF trustee/s	Bare Trust trustee/s	Financial adviser	Qualifying accountant	SMSF solicitor	Lender	Important notes	Broker check
1	Ensure well informed legal and accounting/financial adviser are part of the transaction	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		Is the SMSF complying?	<input type="checkbox"/>
2	Ensure the SMSF's investment strategy allows for the acquisition of the property and borrowing for that purpose (as per "Statement of Advice")	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>			Either Financial Adviser or qualified Accountant	<input type="checkbox"/>
3	Check SMSF Trust Deed – the Fund must be entitled to borrow, grant security and allow a "single acquirable asset" to be held by a custodian on its behalf	<input type="checkbox"/>				<input type="checkbox"/>			<input type="checkbox"/>
4	Identify the property for purchase and likely purchase price; determine if resi or brp	<input type="checkbox"/>						Do not sign Contract of Sale	<input type="checkbox"/>
5	Complete the borrowing arrangements with the Lender up to in-principle approval	<input type="checkbox"/>					<input type="checkbox"/>		<input type="checkbox"/>
6	Determine who will act as trustee/s of the Bare Trust – if a corporate trustee, arrange for the company to be set up	<input type="checkbox"/>				<input type="checkbox"/>		Must not be the same trustee/s as for the SMSF	<input type="checkbox"/>
7	The trustee/s of the Bare Trust must resolve in writing to act as Custodian of the property for the SMSF trustee/s		<input type="checkbox"/>			<input type="checkbox"/>			<input type="checkbox"/>
8	The trustee/s of the SMSF must resolve in writing to purchase the property and appoint the trustee/s of the Bare Trust to act on its behalf	<input type="checkbox"/>				<input type="checkbox"/>			<input type="checkbox"/>
9	<b>QLD and SA (WA optional):</b> trustee/s of Bare Trust and SMSF trustee/s to execute Bare Trust Deed before Contract of Sale is signed	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>		QLD and SA property purchases take care	<input type="checkbox"/>
10	Contract of sale to be executed by the trustee/s of the Bare Trust – NOT the SMSF		<input type="checkbox"/>			<input type="checkbox"/>		Major issue if incorrect	<input type="checkbox"/>
11	Deposit funds must come from the bank account of the SMSF	<input type="checkbox"/>				<input type="checkbox"/>		<b>Not</b> from any other source	<input type="checkbox"/>
12	<b>NSW, VIC, TAS and ACT (WA optional):</b> trustee/s of Bare Trust trustee/s and SMSF trustee/s to execute Bare Trust Deed after Contract of Sale is signed	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>		NSW, VIC, TAS, ACT and WA property purchases take care	<input type="checkbox"/>
13	SMSF trustee/s and Bare Trust trustee/s to execute loan and mortgage documentation	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>	Sound legal advice is essential	<input type="checkbox"/>
14	Attend to settlement: funds to complete to come ONLY from the SMSF bank account	<input type="checkbox"/>				<input type="checkbox"/>	<input type="checkbox"/>	SMSF only – <b>no other source</b>	<input type="checkbox"/>
15	<b>Annually:</b> SMSF trustee/s to provide copy of annual return to the Lender	<input type="checkbox"/>					<input type="checkbox"/>		<input type="checkbox"/>

Broker name	Broker firm
SMSF name	Date
Loan amount	LVR
SMSF trustee: all members act as Directors of Corporate trustee	<input type="checkbox"/> Yes <input type="checkbox"/> No
Corporate trustee name	
SMSF members	
1.	
2.	
3.	
4.	
Bare Trust name	
Residential property? <input type="checkbox"/> Yes <input type="checkbox"/> No	Business real property? <input type="checkbox"/> Yes <input type="checkbox"/> No
Trustee/s of Bare Trust	
1.	
2.	