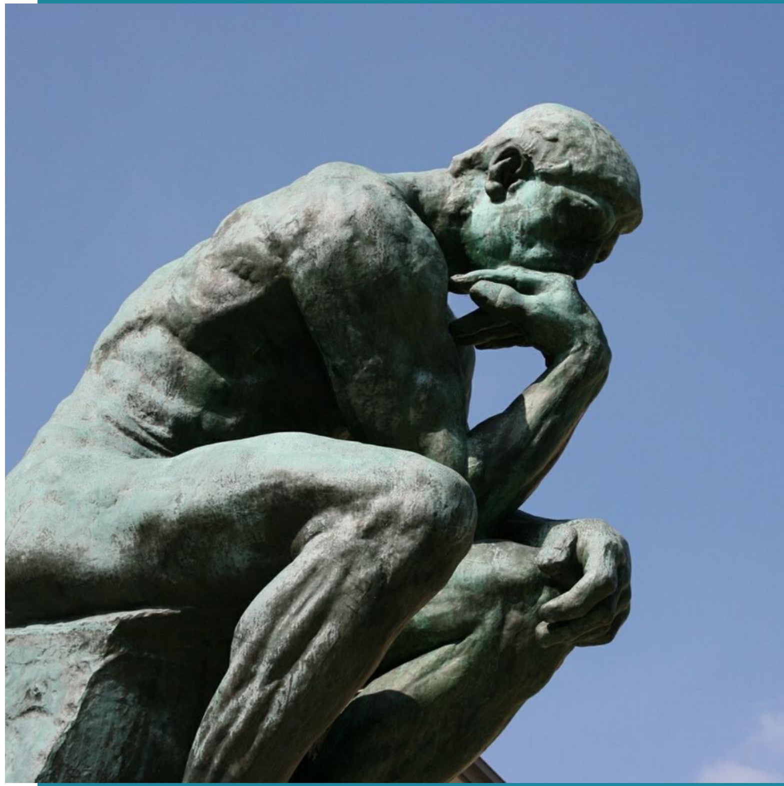
ASSET VALUATIONS

FEELING VALUED?

Maybe you’re not
in the market…

Why does the **ATO** care?

- Feeling altruistic?
- Limiting buildup of assets taxed concessionally?



Ok, yes, they have a heart

Protecting members’ interests

- Even in SMSFs

- 6 member funds

TriSuper Auditors

The real focus is on:

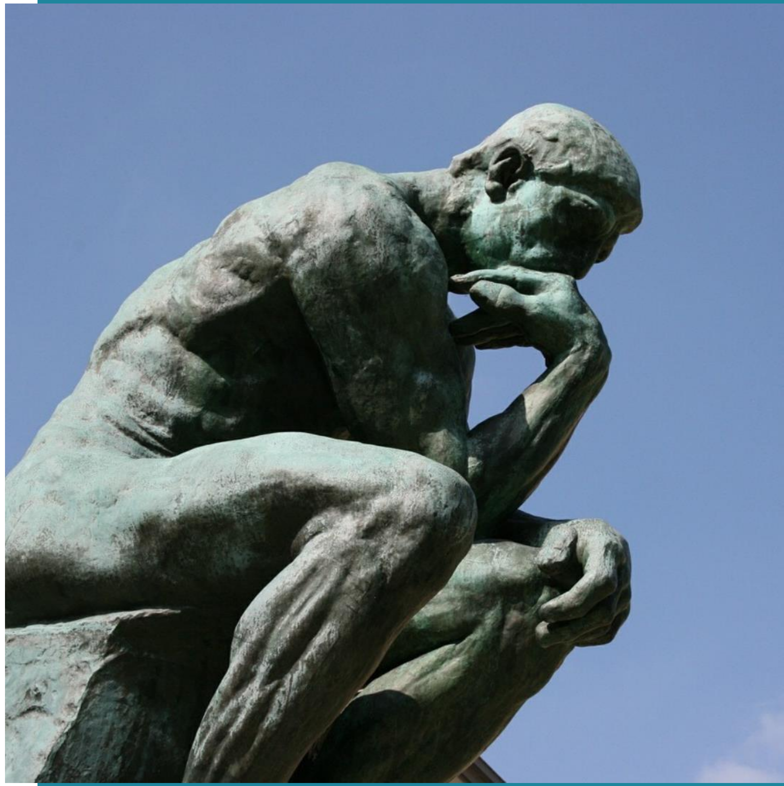
- Limiting monies going in
- Total Super Balance - $1.9M
- Catch up Concessional Contribution - $500K
- Work Test Exemption $300K
- Assets purchased from related parties

Limiting tax concessions on Fund earnings

- Transfer Balance Cap - $1.9M
- Min/Max Pension levels
- Proposed Div 296
- Non-Arm's Length Transactions – S295-55

Why do **Trustees** care?

- For the same, but opposite reasons of course…



Why do **Auditors** care?

- SIS ACT compliance
- Part A audit opinion
- ATO and ASIC increasing cancelation of registrations

Pain Points

- Asking clients to get valuations
- The “every 3 year” rule is not a rule
- Clients don’t want to pay
- Illiquid / Private assets
- Auditors…

TriSuper Auditors

What does the ATO require for annual financial statements?

Let’s refer to ATO handout on general valuation principles:

> “SMSF trustees are required to value all fund assets at market value when preparing their fund's financial accounts and statements.
>
> When valuing assets for the purpose of preparing the fund's financial accounts and statements, the valuation may be undertaken by anyone as long as it is based on objective and supportable data.”

Where do we go from here?

- Expect auditors asking more questions / seeking additional documents.
- "Every three years" is out. Reviewing every year is in.
- Div 296 may be a game changer.
- Client education.