

## LATEST UPDATE – July 2008

Another financial year has past! Now that the rush has gone sit back, relax and read the latest edition of our newsletter. The team at Corporate Express wishes you all the best for the 2009 financial year.

### ***Answers to commonly asked questions about SMSF's***

- The trustee declaration must be signed by the trustee or a director of a corporate trustee within 21 days of appointment;
- The trustee declaration must be retained with the records of the fund for at least 10 years;
- From 1 July 2007 expanded penalties will apply if you fail to notify the ATO of changes to the trustee or other changes to the fund, such as changes to members;
- Details of changes to the fund must now be provided on the approved form. The latest change of details form can be completed on-line via the Australian Business Register website [www.abr.gov.au](http://www.abr.gov.au);
- In respect of new funds, the election to be regulated (and obtain the tax concessions) must be sent to the ATO within 60 days of establishment.

### ***Changes to the Land Rich Landholder legislation***

A landholder is considered to be land rich if it has land holdings in NSW to the value of \$2 million or more and its landholdings in all places whether within or outside Australia comprise 60% or more of the unencumbered value of all its property.

An amendment to section 163G of the Duties Act means that a change in the beneficial ownership of land rich landholders will attract ad valorem duty.

Previously only changes in the legal ownership was caught by the legislation.

For example:

A Pty Limited is a land rich landholder. B and C are shareholders of A Pty Limited, each owing 1 share each.

B declares a trust in relation to the share B holds in A Pty Limited in favour of D.

The result: The declaration of trust is liable to ad valorem duty on 50% of the unencumbered value of all landholdings of A Pty Limited in NSW.

Please note the above example assumes that D has not made any other acquisitions during the last preceding 3 years.

Upon making the relevant acquisition D must complete an Acquisition Statement and submit it to the Chief Commissioner for assessment of duty.

### ***Disclaimer***

The information provided in this document is for your general information only. It is not intended that anyone adopt this information to their personal circumstances without first seeking professional advice.