

**Senate Economics Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

**TREASURY**

**Australian Taxation Office**

(Budget Estimates 30 May 2006)

**Question**                **BET-157**  
**Topic:**                    **SMSFs-guidelines**  
**Hansard Page:**        **E103**

Senator **Sherry** asked:

—I recall in the previous conversation with Senator Watson mention was made of your activity in issuing information with respect to self-managed super funds. Is there a legal requirement for a disclosure document to be issued, as there is with other financial services products, in respect of self-managed super funds?

*Ms Vivian—No, not to my knowledge.*

**Senator SHERRY**—To issue guidelines, if you like, is a bit difficult, isn't it, because you do not know about these funds until after they are established?

*Ms Vivian—Self-managed super funds need to come to us to register to say that they are going to be a complying self-managed super fund. We send out to all new registrants information about the responsibilities of a trustee and what they need to do.*

**Senator SHERRY**—This is after they are established, presumably, because they have registered?

*Ms Vivian—They register. It depends a bit. Once they are established, they are meant to come in within a certain period to us. We send out that information to them as soon as we can. That is generally before they lodge their first return. We have also been trialling ringing up some of the trustees, probably in some of the self-managed super funds that we see, from our knowledge, as being more at risk, to check that they are aware of some of their obligations.*

**Senator SHERRY**—How do you ascertain from your knowledge or your observations that they are more at risk? What are the characteristics?

*Ms Vivian—I would have to take that on notice. We look at a couple of things—the information they provide us and the number of members coming forward—and we have a risk-profiling tool that looks at other areas where we have had concerns.*

**Answer:**        All funds that register as an SMSF are sent (within 7 days) a confirmation of regulation letter and two booklets outlining the roles and responsibilities of members/trustees and their requirements/obligations relating to the operation of an SMSF.

At the time of registration there are cases where a trustee has indicated that he/she is a disqualified person. In these cases the trustee is contacted and questioned to determine their eligibility.

Following registration of the SMSF we may also look at other factors to profile risk. For instance, to identify SMSF's potentially being used as vehicles for illegal early access we consider :

- multiple registrants with common addresses;
- similar surnames for contact officers in different funds;
- suspect trustees registering new funds;
- trustee nominated in multiple funds.