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### **Potential Costs for SMSFs Avoided**

In Federal Parliament last week, the Government withdrew a piece of legislation that would have resulted in additional costs for SMSFs on the transfer of shares and business property between SMSFs and related parties.

The legislation - Schedule 4 of the Tax and Superannuation Laws Amendment (2013 Measures No1) Bill 2013 - would have required, via regulation, transfers of shares by related parties to be effected on market and for transfers of business real property to be subject to independent valuation.

With the withdrawal of the legislation, share transfers between SMSFs and related parties will still be able to be registered off-market at market value. An independent valuation of business real property transfers will not be required under superannuation law. Business real property will continue to be able to be transferred at market value.

Related parties generally means the members and trustees of SMSFs and the relatives of members.

Business real property generally means property, based on land, which supports a business.

The legislation was an outcome of the Super System Review (the Cooper Review) in 2010 which expressed concerns about the transparency of the off-market acquisition and disposal of assets.

In withdrawing Schedule 4, the Assistant Treasurer, David Bradbury MP, said further consultations with industry had indicated the concerns were now not as pressing as they were at the time of the Cooper Review. The Government indicated its concern about integrity issues would be addressed by other measures, such as audit reforms.

Earlier in the day, the Opposition foreshadowed an amendment to excise Schedule 4 from the Bill.

SMSFOA believes the outcome is sensible as it will avoid some unnecessary costs for SMSFs.

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