



**SMSF ESTABLISHMENT DEED**

**MARK AND ECHO'S RETIREMENT FUND**

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# Trust Deed of MARK AND ECHO'S RETIREMENT FUND

## Party

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This Deed is made by the Trustee referred to in the Schedule (the "Trustee").

## Background

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- A. The Trustee wishes to establish a self managed superannuation fund for the provision of superannuation benefits for those persons who become Members and their Dependants.
- B. It is intended by this Deed to establish a self managed superannuation fund known by the name referred to in the Schedule ('the Fund').
- C. The Trustee has agreed to act as the first trustee of the Fund.
- D. The fund is to be maintained as a Complying Self Managed Superannuation Fund.

## Operative Provisions

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### 1. Name of the Fund

The fund is to be known by the name referred to in the Schedule.

### 2. Definitions

Words or terms capitalised in this Deed have the meaning given to them in the Rules.

### 3. Establishment of the Fund

- 3.1 The Fund is established on the Date of this Deed referred to in the Schedule.
- 3.2 The Trustee named in the Schedule is the first trustee of the Fund.
- 3.3 Each person named as a Member in the Schedule will be an initial member of the Fund.
- 3.4 The Fund will be managed, administered and applied in accordance with this Deed, the Rules of the Fund and the Relevant Law.

### 4. Fund vested in Trustee

The Fund will be vested in the Trustee in accordance with this Deed, the Rules of the Fund and subject to the Relevant Law.

### 5. Regulated Superannuation Fund

- 5.1 After execution of this Deed, the Trustee must make an election under section 19(4) SIS Act to become a Regulated Superannuation Fund.
- 5.2 Either:
  - 5.2.1 the Trustee will be the sole trustee that is a Constitutional Corporation; or

## **MARK AND ECHO'S RETIREMENT FUND**

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5.2.2 the sole or primary purpose of the Fund will be the provision of Old-Age Pensions.

### **6. Complying Self Managed Superannuation Fund**

The Trustee will do all things as may be necessary to establish and maintain the Fund as a Complying Self Managed Superannuation Fund.

### **7. The Rules of the Fund**

The Rules of the Fund are those rules attached to this Deed and any amendment of or replacement of those rules or any other rule deemed by the SIS Act to be a governing rule of the Fund.

**Schedule**

**Date of this Deed:**

22/05/2023

**Name of Fund:**

MARK AND ECHO'S RETIREMENT FUND

**Trustee:**

MARK AND ECHO'S RETIREMENT PTY LTD - ACN 668 166 354  
of 15 TOMKINS RD, PORT MELBOURNE, VIC 3207

**Member:**

WENFENG CHEN and MARK STEPHEN PERRETT of  
15 TOMKINS RD, PORT MELBOURNE, VIC 3207

**Governing Law:**

Victoria



**MARK AND ECHO'S RETIREMENT FUND**

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**Executed as a Deed**

**The Trustee**

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EXECUTED by  
**MARK AND ECHO'S RETIREMENT PTY LTD**  
**ACN: 668166354**  
in accordance with subsection 127(1)  
of the Corporations Act 2001



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**Director**  
WENFENG CHEN

**Dated:** 29-5-23



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**Director**  
MARK STEPHEN PERRETT

**Dated:** 29-5-23

## The Rules of the Fund

### 1. Purpose of the Fund – Core and Ancillary Purposes

1.1 The Fund is to be maintained:

1.1.1 solely for one or more Core Purposes; or

1.1.2 solely for one or more Core Purposes and one or more Ancillary Purposes.

1.2 Despite any other provision of this Deed, the Trustee must be a Constitutional Corporation unless the Trustees are individuals in which case the sole or primary purpose of the Fund is the provision of Old-Age Pensions.

### 2. Trustee

#### 2.1 Trustee Structure

The Trustee of the Fund may be a Corporate Trustee or one or more individuals if the sole or primary purpose of the Fund is the provision of Old-Age Pensions and the Trustee and the Members shall take such action as is considered necessary and appropriate to ensure that every Trustee is constituted in a manner complying with the Relevant Law including action relating to the filling of vacancies in accordance with **Rule 2** and the eligibility, appointment, replacement, representation, removal and composition of every Trustee and the directors of a Corporate Trustee.

#### 2.2 Appointment and Removal of Trustee

2.2.1 Subject to any requirements of the Relevant Law, the Members in accordance with the other applicable provisions of the Rules may, at any time by deed or written resolution, remove from office any Trustee and shall have the right at any time by deed or written resolution to appoint a new, replacement or additional Trustee.

2.2.2 Notwithstanding **Rule 2.2.1** and subject to the Relevant Law:

(a) a Trustee appointed by the court or the Regulator shall not be removed by the Members; and

(b) a Legal Personal Representative appointed as Trustee by reason of **Rule 2.2.7(a)** or **Rule 14.9.1(a)(ii)** shall not be removed until the Fund has paid the death benefit of the deceased Member in respect of whom the Legal Personal Representative has been appointed as Trustee, unless removal is required to facilitate the death benefit payment.

2.2.3 An individual or Corporate Trustee shall only be appointed as Trustee if that individual or Corporate Trustee has first consented in writing to the appointment as Trustee. A person shall only be appointed as a director of a Corporate Trustee if that person has first consented to their appointment as director of the Corporate Trustee.

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- 2.2.4 Each Trustee and every director of a Corporate Trustee upon appointment must:
- (a) agree in writing to be bound by the Deed and the Rules; and
  - (b) sign a trustee declaration in a form approved by the Regulator under section 104A SIS Act, (or otherwise as may be permitted by the Regulator) among other matters, acknowledging that the duties and responsibilities as a Trustee or a director of a Corporate Trustee of the Fund.
- 2.2.5 A Trustee will continue to hold office until:
- (a) the Trustee resigns by notice in writing to the Members and to any other Trustees;
  - (b) if an individual, the Trustee dies;
  - (c) if an individual, the Trustee is under a legal disability and is incapable of performing the duties of a Trustee;
  - (d) the Trustee is a Disqualified Person;
  - (e) the Fund would fail to satisfy the definition of a self managed superannuation fund under the Relevant Law by reason of the Trustee continuing in that role;
  - (f) subject to the Relevant Law, the Fund's status as a complying self managed superannuation fund would be jeopardised or altered if the Trustee continued to hold office;
  - (g) is removed from office by the Members pursuant to the provisions of the Rules or the Relevant Law;
  - (h) is suspended or removed from office by the Regulator pursuant to the Relevant Law.
- 2.2.6 Any vacancy in the office of Trustee or in the directorship of a Corporate Trustee shall be filled as and when required by the Relevant Law but until and unless any vacancy is filled the continuing Trustee(s) or directors of a Corporate Trustee may continue to exercise the role and function of Trustee subject to **Rule 14.9.1(a)**. There shall be no obligation to fill any vacancy, unless required by the Relevant Law, if there is at least one Trustee or one director of a Corporate Trustee.
- 2.2.7 Despite **Rule 2.2.6** and having regard to the requirements of **Rule 14.9.1(a)(ii)** and subject to **Rule 2.2.8**:
- (a) Where a Member dies (and the Trustee is required to exercise a discretion regarding a death benefit to be paid in respect of that deceased Member) the Legal Personal Representative of the deceased Member shall be appointed as either a Trustee or a director of a Corporate Trustee as soon as practicable and within six (6) months from the date of the Member's death until not later than the date that the

## MARK AND ECHO'S RETIREMENT FUND

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death benefits in respect of that Member commence to be payable by the Fund in accordance with section 17A(3) SIS Act;

- (b) where a Member who is a Trustee or a director of a Corporate Trustee is under a legal disability, the Legal Personal Representative of the Member shall replace that Trustee or director;
- (c) notwithstanding **Rule 2.2.7(a)** and **Rule 2.2.7(b)**, if there is more than one Legal Personal Representative of the Member, the continuing Trustees may appoint all of them and otherwise determine which of the Legal Personal Representatives must be appointed as Trustee;
- (d) A Corporate Trustee must ensure that the constituent documents of the Corporate Trustee do not prohibit the Legal Personal Representative of a director of the Corporate Trustee who dies or is under a legal disability from replacing that director as a director of the Corporate Trustee.

2.2.8 **Rule 2.2.7** does not apply:

- (a) if a continuing Trustee or a director of a Corporate Trustee is the sole Legal Personal Representative of a Member who has died or is under a legal disability;
- (b) if a Legal Personal Representative of a Member who has died or is under a legal disability does not consent to appointment as a Trustee or a director of a Corporate Trustee.

2.2.9 Any requirement under State Trust Law that:

- (a) an appointment of a Trustee, new Trustee, replacement Trustee or additional Trustee must be registered for that appointment to be effective is expressly excluded to the extent not prohibited by that State Trust Law; and
- (b) the Fund must not have less than two Trustees or places a limit on the number of Trustees that may be appointed and is capable of being excluded by these Rules is expressly excluded if the Fund complies with the Relevant Law.

2.2.10 If no person has the power under **Rule 2.2** to appoint or remove a Trustee, then the Legal Personal Representative of the last person who was a Trustee may exercise that power by deed.

### 2.3 Transfer of Assets

2.3.1 If a Trustee's office terminates, the outgoing Trustee or their Legal Personal Representative must:

- (a) provide to any new or continuing Trustee all records, information and other property relating to the Fund in its control; and
- (b) do all things necessary to complete the appointment of a new Trustee.

- 2.3.2 If a new Trustee is appointed, then the new Trustee must do such things as are necessary to ensure that the assets of the Fund are transferred to or in the control of the Trustee.

**2.4 Trustee Meetings**

- 2.4.1 Any individual Trustee may at any time convene a Trustee meeting by notice to the other Trustee.
- 2.4.2 A Trustee meeting may be held in person or by any technological means by which the Trustees are able simultaneously to hear each other and to participate in discussion.
- 2.4.3 Subject to these Rules the Trustees may meet together, adjourn and regulate their meetings as they think fit.
- 2.4.4 The Trustees may determine the quorum necessary for the conduct of business.

**2.5 Decisions of Trustees**

- 2.5.1 Subject to compliance with **Rule 2.5.5**, business arising at a Trustee meeting will be decided by a majority of the Trustees present and voting and all such decisions of the Trustees shall be binding on all Trustees provided always that in making any decision the Trustees have regard to the covenants or obligations imposed on the Trustees under **Rule 3** and the Relevant Law.
- 2.5.2 If there is more than one Legal Personal Representative or parent or guardian of a Member appointed as a Trustee in place of that Member, those Legal Personal Representatives or parents or guardians as Trustees must jointly vote for the purposes of any meeting and resolution.
- 2.5.3 Where a Trustee is a Member of the Fund and is also Trustee in place of another Member, the Trustee shall have a deliberative vote for the purposes of any meeting and resolution and an additional deliberative vote as Trustee in place of another Member, subject to **Rule 2.5.2**.
- 2.5.4 If the Trustees are individuals (and unless all the Trustees otherwise agree in writing) each individual Trustee is entitled to cast the number of votes nearest to the number of whole dollars (ignoring cents) of that Member's Account the Trustee represents and any amounts in Reserve (if there is a Reserve) that an actuary has determined might be transferred to the Member's Account to pay a pension, but no less than one vote each.
- 2.5.5 All decisions of the Trustee concerning the payment of a death benefit pursuant to **Rule 14.9.7** in respect of a deceased Member require the prior written consent of the Legal Personal Representative of the deceased Member, if there is one.

**2.6 Written Resolutions**

Despite **Rule 2.5.4**, a resolution in writing signed by a majority of the Trustees will:

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- 2.6.1 have the same effect and validity as a resolution of the Trustees present and voting at a Trustees' meeting; and
- 2.6.2 be deemed to have been passed on the day on which the document was last signed by a Trustee, notwithstanding that the written resolution may have been signed in two or more counterparts and may be in the form of a copy or electronic transmission.

### 2.7 Conflict of Interest

- 2.7.1 A Trustee or any director, employee, delegate, agent or other officer of the Trustee may be involved in the exercise of all powers, authorities and discretions conferred on the Trustees notwithstanding that they may have a conflict of interest or duty.
- 2.7.2 Every Trustee must disclose their interest to the other Trustees and all declarations must be recorded, in the minutes of the relevant Trustees' meeting or noted in a written resolution made in accordance with **Rule 2.6** or otherwise recorded in a manner accepted by the Trustees.
- 2.7.3 The failure by a Trustee to make disclosure under this **Rule 2.7** does not render void or voidable a contract or arrangement in which the Trustee has a direct or indirect interest.
- 2.7.4 A Trustee or a director of a Corporate Trustee may vote in respect of a contract or arrangement or any other matter in which the Trustee or a relative or associate of the Trustee or the relative or associate of a director or shareholder of a Corporate Trustee has a direct or indirect interest.

### 2.8 Validity of Acts of Trustees

The acts of the Trustee will remain valid notwithstanding that it is subsequently found that there was a defect in the appointment of a Trustee or in the appointment of a Corporate Trustee or if the individual Trustee or director was or becomes a Disqualified Person.

### 2.9 Constituent documents of a Corporate Trustee

A Corporate Trustee must ensure that its constituent documents are consistent with the Rules and any requirements under the Relevant Law.

## 3. Covenants of Trustees

- 3.1 Subject to section 52B SIS Act, each Trustee covenants:
  - 3.1.1 to act honestly in all matters concerning the Fund;
  - 3.1.2 to exercise, in relation to all matters affecting the Fund, the same degree of care, skill and diligence as an ordinary prudent person would exercise in dealing with property of another person for whom the person felt morally bound to provide;
  - 3.1.3 to perform the Trustee's duties and exercise the Trustee's powers in the best financial interests of the Beneficiaries;

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- 3.1.4 to keep the money and other assets of the Fund separate from any money and assets:
  - (a) that are held by the Trustee personally; and
  - (b) that are money or assets, as the case may be, of a standard employer-sponsor, or an associate of a standard employer-sponsor, of the Fund;
- 3.1.5 not to enter into any contract, or do anything else, that would prevent the Trustee from, or hinder the Trustee in, properly performing or exercising the Trustee's functions and powers;
- 3.1.6 to formulate, review regularly and give effect to an investment strategy that has regard to the whole of the circumstances of the Fund including, but not limited to, the following:
  - (a) the risk involved in making, holding and realising, and the likely return from, the Fund's investments, having regard to its objectives and its expected cash flow requirements;
  - (b) the composition of the Fund's investments as a whole including the extent to which the investments are diverse or involve the Fund in being exposed to risks from inadequate diversification;
  - (c) the liquidity of the Fund's investments, having regard to its expected cash flow requirements;
  - (d) the ability of the Fund to discharge its existing and prospective liabilities;
- 3.1.7 if there are any reserves of the Fund, to formulate, review regularly and give effect to a strategy for their prudential management, consistent with the Fund's investment strategy and its capacity to discharge its liabilities (whether actual or contingent) as and when they fall due;
- 3.1.8 to allow a Beneficiary of the Fund access to any prescribed information or any prescribed documents.

3.2 Each director of a Corporate Trustee covenants to exercise a reasonable degree of care and diligence for the purposes of ensuring that the Corporate Trustee carries out the covenants referred to in **Rule 3.1**. A reference to reasonable degree of care and diligence is a reference to the degree of care and diligence that a reasonable person in the position of director of the Corporate Trustee would exercise in the circumstances.

## 4. Trustee's Powers

### 4.1 All Powers

The Trustee will have all the powers of a natural person. Without limitation, the Trustee will have the powers enumerated in this Rule and power to do everything necessary or desirable to manage, administer and deal with the Fund and all proceedings, matters and things connected with the Fund in an efficient and prudent manner in accordance with the Deed, the Rules and the Relevant Law and as if the Trustee was the legal and beneficial owner of the assets of the Fund, including the power of:

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- 4.1.1 **Deal with Fund assets:** entering into and executing all contracts, deeds and documents and doing all such matters and things considered expedient for the purpose of investing Fund monies and carrying out the trusts, authorities, powers and discretions conferred upon the Trustee by the Deed and the Rules;
- 4.1.2 **Bank accounts:** opening and operating, by any means including electronically, any account of any description with any financial institution and making regulations for the operation of such accounts and in accordance with those regulations to jointly or severally draw, make, accept, endorse, discount, issue or otherwise deal with any promissory note, bill of exchange, bill of lading, cheque or other negotiable or transferrable instrument;
- 4.1.3 **Sign, authorise and approve:** determining who shall be entitled to sign, authorise and approve receipts, acceptances, endorsements, releases, promissory notes, bills of exchange and lading, cheques, negotiable and transferrable instruments, agreements, writings, contracts, documents or electronic transactions of any kind whatsoever;
- 4.1.4 **Fund obligations:** giving such undertakings and incurring all such obligations relating to the Fund as the Trustee thinks fit;
- 4.1.5 **Legal proceedings:** instituting, conducting, defending or abandoning, settling, compromising or submitting to arbitration any claim, proceedings, matter or thing relating to the Fund or to the rights of Members or other persons claiming to be entitled to be paid a Benefit from the Fund and allowing time for payment or satisfaction of any debts owed to or by the Fund;
- 4.1.6 **Vary investments:** varying or realising an investment of any part of the Fund at any time and reinvesting money resulting from the realisation in any form of investment;
- 4.1.7 **Conduct businesses and profit making undertakings:** conducting and terminating any trade, business or profit making undertaking or scheme anywhere in the world, either alone, in partnership or by joint venture, and under any name as the Trustee thinks fit;
- 4.1.8 **Engage:** engaging and paying remuneration to any person (including a Member or Trustee) in connection with anything required to be done pursuant to the Deed and the Rules and may remove or suspend any such person;
- 4.1.9 **Borrowing:** borrowing or raising any financial accommodation including by drawing, endorsing, accepting or otherwise dealing in any bill of exchange, promissory note or other negotiable instrument for the purposes permitted by the Relevant Law (including for the purpose of investing in a limited recourse borrowing arrangement or an instalment warrant arrangement) and secure the borrowing or financial accommodation in such a manner and upon such terms and conditions and at such rate of interest as the Trustee determines and in particular, by assigning, pledging, charging or mortgaging all or any of the assets of the Fund;
- 4.1.10 **Lending:** lending money and securing the repayment of that money in any manner and upon any terms which the Trustee may consider advisable within the confines of the Relevant Law;



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- 4.1.11 **Insurance:** insuring or re-insuring any risks, contingencies or liabilities of the Fund;
- 4.1.12 **Pay expenses:** paying out of the Fund all costs, taxes and expenses of the Fund, including the fees of any advisers or agents and the remuneration of persons appointed pursuant to the Rules;
- 4.1.13 **Discharge liabilities:** making and giving receipts and releases or discharges of any kind;
- 4.1.14 **Indemnification:** giving any guarantee, indemnity or undertaking to indemnify any person in respect of any claim, matter or thing relating to the Fund or to the rights of Members, or other persons entitled in respect of the Fund;
- 4.1.15 **Life Insurance Policies:** effecting life insurance policies for the purposes of providing benefits for Members including insurance policies over the life of a Member for the benefit of another Member;
- 4.1.16 **Mortgage Protection Insurance:** effecting mortgage protection insurance or like insurances to cover payment of borrowings by the Fund;
- 4.1.17 **Allocation of insurance premiums and proceeds:** subject to Relevant Law, entering into agreements with Members about the payment of insurance policy premiums and the allocation of insurance policy proceeds for any insurance policy not being an Individual Policy;
- 4.1.18 **Receive gifts or distributions:** receiving property by gift inter vivos or by distribution under a will or under the provisions of any other trust or otherwise from any person and to hold these gifts according to the Rules and to administer such additions under these provisions;
- 4.1.19 **Payment of Benefits:** paying or applying a Benefit out of the Fund to persons entitled without being responsible for seeing to the application of payments made in the exercise of this or any other power vested in the Trustee by the Deed and the Rules;
- 4.1.20 **Delegation:** delegating in writing the exercise of all or any of the powers or discretionary authorities conferred on the Trustee and to execute any powers of attorney or other instruments necessary to effect such a delegation;
- 4.1.21 **To act on advice:** acting upon the advice of any legal practitioner, any medical practitioner, accountant, actuary, superannuation consultant or any investment or financial adviser or any other professional person without being liable to any Members or their Dependants or their Legal Personal Representative in respect of any act done by the Trustees in accordance with such advice;
- 4.1.22 **Charge a fee:** charging fees for doing anything permitted or required under the Relevant Law and for which a fee may be charged;
- 4.1.23 **Irrevocable election:** irrevocably electing that the Fund become a Regulated Superannuation Fund.

**4.2 Absolute Discretion**

- 4.2.1 Except as expressly provided to the contrary in the Rules, the Trustee in the exercise of the authorities, powers and discretions given to it under the Deed and the Rules, has an absolute and unfettered discretion, and may from time to time exercise or enforce all or any of such powers, authorities and discretions, and will have power generally to do all such things as the Trustee in its absolute discretion considers appropriate in the administration of the Fund and the performance of its obligations under the Deed, the Rules and the Relevant Law.
- 4.2.2 The Trustee may, in its absolute discretion, waive any requirement of the Deed and the Rules in respect of any Member if any such action does not cause a breach of the Relevant Law.

**4.3 Delegation and Appointment of Attorney by Trustee and Appointment of Custodian**

- 4.3.1 The Trustee may delegate in writing the exercise of all or any of the powers or discretionary authorities conferred on the Trustee and execute any powers of attorney or other instruments necessary to effect such a delegation.
- 4.3.2 The Trustee may appoint one or more attorneys under power of attorney upon such terms as the Trustee thinks fit to perform any of the powers, authorities, duties or functions conferred on the Trustee by the Deed, Rules or by the Relevant Law. Any such power of attorney will remain valid and effectual for the period nominated by the Trustee or until revoked by the Trustee.
- 4.3.3 The Trustee may appoint any person as custodian or nominee to hold legal title of any asset acquired or to be acquired by the Trustee on such terms as the Trustee thinks fit.

**4.4 Remuneration of the Trustee**

- 4.4.1 The Trustee will not receive any salary or remuneration from the Fund in respect of its services as Trustee unless permitted under the Relevant Law.
- 4.4.2 Subject to the Relevant Law, nothing in this Deed or the Rules will preclude any firm, corporation or partnership of which the Trustee or any of its directors is a partner, director, shareholder, related body corporate (as defined in the Corporations Act) or employee from being paid out of the Fund any proper fees or remuneration for professional or other services rendered by such firm, corporation or partnership in connection with the Fund.

**4.5 Inquiries and Complaints**

The Trustee must to the extent required by the Relevant Law establish arrangements to deal with inquiries or complaints about the operation or management of the Fund.

**4.6 Dependants and Other Beneficiaries**

The Trustee may exercise all its powers under the Deed, the Rules and the Relevant Law in respect of Dependants and any other person entitled to a Benefit. All such persons must comply with the provisions of the Rules and any direction of the Trustee in relation to the payment of any Benefit.

**4.7 Indemnity**

**4.7.1 Limitation**

Subject to **Rules 4.7.2** and **4.7.3**, no Trustee or, where the Trustee is a corporation, none of its directors or officers, will be personally liable for any loss, damage, detriment, mistake, omission, expense or damage or costs ("**Detriment**") whatsoever incurred by any person in connection with the Fund for any reason and without limitation including:-

- (a) Any Detriment arising from reliance on professional advice; or
- (b) Any Detriment arising from the failure of an investment; or
- (c) Any Detriment consequent upon the Trustee complying with Relevant Law, despite the Trustee's action or inaction being a breach of this Deed.

**4.7.2 Exception**

**Rule 4.7.1** does not apply:

- (a) to the extent that the Detriment is due to the Trustee's, director's or officer's dishonesty or intentional or reckless failure to exercise the degree of care and diligence that the Trustee, director or officer or other person or entity was required to exercise; or
- (b) to the extent that it is inconsistent with Relevant Law.

**4.7.3 Indemnity**

The Trustee and, where the Trustee is a corporation, its directors and officers are entitled, to the maximum extent permitted by law and in the circumstances referred to in **Rule 4.7.1** and subject to **Rule 4.7.2** to be indemnified from the Fund against all liabilities incurred by each of them or other person in connection with the execution, attempted execution, or non-execution of the Trustee's performance, powers, duties and discretions under this Deed except for an administrative penalty or a civil penalty order under the Relevant Law.

**4.7.4 Payment and reimbursement**

- (a) Subject to the Relevant Law, the Trustee and, if the Trustee is a corporation, its directors and officers, may recover from the Fund amounts required:
  - (i) to meet the indemnities referred to above; and
  - (ii) to meet all liabilities whatsoever in connection with the Fund and the exercise of their powers and duties under or in connection with this Deed.
- (b) For the purpose of these indemnities, and to the maximum extent permitted by law and subject to the Relevant Law, the Trustee or, if the

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Trustee is a corporation, its directors and officers have, and may exercise, a lien over the Fund.

### **4.8 Release**

Subject to Relevant Law, the Trustee (and in the case of a Corporate Trustee, each director) is released from all liabilities, losses, costs and expenses incurred in the exercise or purported exercise or attempted exercise of the trusts, powers, authorities and discretions vested in the Trustee or at law, including in respect of any payments made to any person whom the Trustee bona fide believes to be entitled to the payment and it is subsequently found that the person was not in fact so entitled.

### **4.9 Limited Indemnity and Release**

Nothing in the Deed has the effect of indemnifying or releasing the Trustee (and in the case of a Corporate Trustee, its director) in respect of any liability:

4.9.1 for a breach of trust, where the Trustee fails to act honestly, or fails intentionally or recklessly to exercise, the degree of care and diligence that the Trustee was required to exercise; or

4.9.2 for a monetary penalty under a civil penalty order.

### **4.10 Confidentiality**

The Trustee shall keep confidential all material and information concerning the administration and management of the Fund and concerning Members and their Dependants and only use that material and information in the administration and management of the Fund and unless required expressly in these Rules or by the Relevant Law shall not be obliged to give reasons for any decisions or acts or omissions of the Trustee.

## **5. Membership**

### **5.1 Admission**

The Trustee may in its absolute discretion admit to membership of the Fund any person that the Trustee regards as eligible for membership with effect from such date, whether retrospective or prospective, as the Trustee determines. The Trustee may require an application for membership in such form as the Trustee accepts and or that the person enter into a written agreement with the Trustee imposing special conditions in respect of membership.

### **5.2 Bound by the Deed and the Rules**

Every person admitted to membership of the Fund becomes a Member and is bound by the Deed and the Rules.

### **5.3 Variation of Membership Terms**

The Trustee may, by written agreement with any Member, vary the terms and conditions applicable to that Member's membership of the Fund, including the contributions and Benefits payable to or in respect of the Member.

**5.4 Information to Members**

The Trustee must, as soon as practicable after the admission of a Member, and/or at such other times as is required by the Relevant Law give to that Member and any other entitled person any information and details about the Fund required by the Relevant Law.

**5.5 Information from Members**

5.5.1 Every Member and Dependant must provide such information and documents, submit to such medical examinations, and generally do such things as the Trustee considers necessary for the Trustee to administer the Fund and for the Trustee to otherwise be satisfied that such person is entitled to a Benefit from the Fund. The Trustee may suspend the payment of any Benefit if the Member or Dependant fails to comply with any Trustee request for this purpose.

5.5.2 If the Trustee's first request is not complied with within six (6) months, the Benefit payable to or for such Member or Dependent may cease or may be transferred in part or in whole in such amounts as shall be determined by the Trustee to an Eligible Fund.

**5.6 Person to Receive a Reversionary Pension**

Subject to the Rules and the Relevant Law, the Trustee must admit a person as a Member where that person will be paid a pension from the Fund as a consequence of the death of another Member.

**5.7 Cessation of Membership**

Subject to Relevant Law, a person ceases to be a Member of the Fund:

5.7.1 if the Member dies, when all their Superannuation Entitlements in the Fund have been paid, applied or transferred from the Fund;

5.7.2 when all Benefits which are or may be payable under these Rules in respect of the Member have been paid;

5.7.3 when a transfer of the balance of their Member Account is made to an Eligible Fund;

5.7.4 when the Trustee requires a Member to cease membership of the Fund to comply with the Relevant Law;

5.7.5 when the Member has a nil balance in the Fund and the Trustee determines that the Member is not to continue to be recognised as a member of the Fund;

5.7.6 when the Trustee otherwise reasonably determines.

Subject to the Relevant Law, a person who ceases to be a Member may continue to act as a Trustee (or director of a Corporate Trustee) if they are or were appointed by another Member.

**5.8 Closure of Membership**

To permit the Fund to qualify or to continue to qualify for a duty exemption or nominal or concessional assessment of duty under the laws of any State or Territory on the transfer of an asset to the Fund in respect of an asset acquired by the Trustee and held for the benefit of particular Members of the Fund at that time, the Trustee may close the membership of the Fund to new members permanently or until such time as such asset has been used to pay Benefits to those Members. The Trustee shall do all things and execute all such necessary deeds or documents to give effect to the closure to new members.

**6. Contributions to the Fund**

**6.1 Acceptance of Contributions**

The Trustee subject to the Relevant Law:

6.1.1 may accept contributions in respect of a Member including, without limitation:

- (a) government co-contribution;
- (b) child contributions;
- (c) spouse contributions;
- (d) the whole or part of any Shortfall Component in respect of any employee or Member received from the Commissioner of Taxation;
- (e) Splittable Contributions; and
- (f) any downsizer contributions as defined and provided in the Relevant Law;

6.1.2 must not accept any contribution if, in the opinion of the Trustee, the acceptance of the contribution would be in breach of the Relevant Law;

6.1.3 may allocate, record or treat the whole or part of a contribution in a manner not prohibited by the Relevant Law including the allocation of the whole or part of a contribution to a reserve; and

6.1.4 may refuse to accept part or all of any contributions as the Trustee deems appropriate.

**6.2 Form of Contributions**

6.2.1 Subject to the Relevant Law, contributions may be made either in money or by in specie transfer of assets not prohibited by the Relevant Law.

6.2.2 If a contribution is made by an in specie transfer:

- (a) the amount of the transfer will be the market value of the asset determined by the Trustee at the time of its transfer;

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- (b) any other terms and conditions of the transfer will be as determined by the Trustee; and
- (c) in the event that the Trustee wishes to restrict the Benefits arising from the assets transferred to the Fund under this Rule to particular Members, the Trustee shall either proceed under **Rule 7.4** to hold the assets specifically to provide Benefits for those Members, or, if those Members are the only Members of the Fund at the time of transfer, the Trustee may close the membership of the Fund to new members under **Rule 5.8**.

### **6.3 Splittable Contributions**

Subject to the Relevant Law, the Trustee may allow Splittable Contributions and a Member may request that the Trustee allocate the whole or part of that contribution to any other Member or person.

### **6.4 Contribution Repayment or Release**

- 6.4.1 The Trustees may repay the whole or any part of a contribution and any associated earnings to a Member but only if the repayment is not in breach of the Relevant Law.
- 6.4.2 Subject to the Relevant Law, the Trustee may repay a contribution if the Trustee is satisfied that it was paid to the Trustee by mistake.
- 6.4.3 The Trustee must repay the whole or part of a contribution and any associated earnings to the Member if directed by the Regulator. The Trustee may deduct from the repayment any liabilities or expenses incurred or provision for liabilities or expenses in relation to the contribution.
- 6.4.4 If excess contributions are received by the Fund and the Trustee receives a release authority under the Relevant Law, then the Trustees may release funds and pay Excess Contributions Tax in accordance with the release authority and the Relevant Law.

## **7. Investments**

### **7.1 Investment Strategy**

The Trustee must formulate in writing, give effect to and review regularly an investment strategy that complies with the requirements of the Relevant Law.

### **7.2 Authorised Investments**

- 7.2.1 Subject to the Relevant Law, the Trustee may directly or indirectly invest in any investment the Trustee considers appropriate, all or so much of the assets of the Fund not required immediately for the payment of Benefits or other amounts authorised by the Rules.
- 7.2.2 Without limiting **Rule 7.2.1**, the Trustee may invest alone, in partnership or jointly with any other entity in:

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- (a) any investment authorised by the laws of the Commonwealth of Australia or any State or Territory of Australia for the investment of trust funds;
- (b) the acquisition of any interest in real or personal property, and the improvement or extension of that property;
- (c) any mortgage on freehold or leasehold property situated in Australia or elsewhere;
- (d) any deposit with any bank, building society, other financial institution or any person or organisation whatsoever and at such rate of interest and upon such terms as the Trustee may deem reasonable;
- (e) the making of any loan to any entity (except to a Member or a relative of a Member) with or without security, and at such rate of interest and upon such terms as the Trustee considers reasonable;
- (f) the acquisition of foreign currencies, commodity contracts, hedging contracts or futures contracts of any kind quoted on a recognised stock exchange;
- (g) the acquisition of shares or stock of any class or description, or of any type of bond, mortgage, debenture, note option, warrant, derivative or other like security in any company or trust fund, society, unincorporated association or other entity in any part of the world whether or not carrying on business in Australia and whether the shares or stock be fully or partly paid up, and whether secured or unsecured, registered or unregistered;
- (h) the acquisition of, or subscription for, any unit or interest in any unit trust established or situated anywhere in the world, and whether such units or interests are fully paid up or whether their issue involves any contingent or reserve liability;
- (i) the acquisition of any financial product (including instalment warrants or other derivative) over any assets in which the Trustee is authorised to invest;
- (j) the acquisition of any precious metals, coins, stamps, works of art, antiques and any other precious objects;
- (k) the acquisition of any insurance policy or annuity of any kind whatsoever and wherever made;
- (l) the discounting of loans, mortgages, contracts, hire purchase agreements or leases;
- (m) the acquisition of digital currency, cryptocurrency and such other similar or like digital assets;
- (n) bills of exchange, bill of lading, promissory notes or other negotiable or transferable instruments; and



- (o) any other investment the Trustee considers appropriate.

**7.3 Power to Sell and Vary Investments**

The Trustee may sell or otherwise dispose of any investments and may vary and transpose any investments into other investments permitted by the Rules.

**7.4 Assets Specific to a Member**

7.4.1 The Trustee, with the agreement of the Member concerned, may invest in or acquire certain identifiable investments or assets for the benefit of any Member and to make a specific investment for the benefit of any Member providing that such investment complies with the investment strategy of the Fund and shall hold such assets for the specific benefit of the Member concerned and which shall be recorded in the Member's account.

7.4.2 Despite anything contained in the Rules, any asset held for the specific benefit of a Member shall be segregated from other assets of the Fund and shall not be transferred from the Member's account and no other person shall obtain an interest in the asset unless:

- (a) the asset is being transferred to the Member as payment of a Benefit in specie to the Member;
- (b) the asset is being sold and the proceeds are to be paid to the Member as payment of a Benefit; or
- (c) the transfer of the asset does not affect any duty exemption or concessional or nominal assessment of duty obtained under the laws of any State or Territory to the transfer of the asset to the Fund when the asset was first acquired by the Trustee.

**7.5 Restrictions on Member Contributed Property.**

7.5.1 Despite any other provision in the Rules to the contrary, and subject to the passing of a resolution by the Trustee that this Rule (and any variation of this Rule), applies if the Trustee acquires Member Contributed Property:

- (a) either:
  - (i) the Transferor of the Member Contributed Property must be the only Member (or Members) of the Fund and the Trustees must not admit any further Members to the Fund whilst the Fund holds the Member Contributed Property; or
  - (ii) the Member Contributed Property must be used solely for the benefit of the Transferor as Member; and
- (b) any Member Contributed Property must be used solely for the purpose of providing a retirement benefit to the Transferor(s) as Member(s); and
- (c) the Member Contributed Property:

- (i) must be held by the Trustees specifically for the benefit of the Transferor as a Member of the Fund (or if there is more than one, each of them in the same proportions as that property was held before the transfer); and
  - (ii) cannot be pooled with any property held for another Member of the Fund; and
  - (iii) no other Member of the Fund can obtain an interest in the Member Contributed Property.
- (d) The Trustee must not do or fail to do anything, including the amendment or deletion of this **Rule 7.5**, at any time, if doing so would result in the Trustee (or any custodian trustee of that property for the Trustee of the Fund) not obtaining or not being entitled to obtain or retain the benefit of any exemption or concession that would otherwise apply or continue to apply in respect of the transfer of the Member Contributed Property.

**7.6 Gifts and Distributions**

- 7.6.1 Subject to the Relevant Law, the Trustee may accept gifts or distributions made to the Fund from any person or organisation whatsoever.
- 7.6.2 The Trustee may allocate such gifts or distributions to any Account of the Fund for any purpose as it sees fit.

**7.7 Investment Income**

The Trustee must, to the extent required by the Relevant Law, at the Review Date:

- 7.7.1 value all of the assets of the Fund; and
- 7.7.2 determine the net income and net capital gains of the Fund (whether realised or unrealised) for the period since the last Review Date, after deducting any capital losses, expenses and Taxes as the Trustee considers appropriate.

**7.8 Fund Earning Rate**

At the Review Date, the Trustee must determine the rate or amount at which the income of the Fund is to be credited or debited to Member Accounts and other Accounts and Reserves established by the Trustee, having regard to:

- 7.8.1 the amount of income for the Financial Year ending on the relevant Review Date;
- 7.8.2 the amount of income expected for the subsequent Financial Year;
- 7.8.3 the amount of income credited to the Member's Accounts in previous Financial Years;
- 7.8.4 the amount of Taxes, costs and other liabilities of the Fund;
- 7.8.5 investment strategies of the Fund; and

7.8.6 any other matters the Trustee considers relevant.

**7.9 Interim Fund Earning Rate**

During a Financial Year, the Trustee may determine an interim rate or amount at which the income of the Fund is to be credited or debited to any Member Account for the purpose of calculating the Member's entitlement to Benefits.

**8. Borrowing - section 67A and 67B of the SIS Act Arrangements**

**8.1 Borrowing**

8.1.1 The Trustee may borrow money or maintain an existing borrowing of money and assign, pledge, mortgage or charge any of the assets of the Fund as security for any financial accommodation, if the Relevant Law permits.

8.1.2 Subject to the Relevant Law, the Trustee may raise any money in any lawful manner including by drawing, endorsing, accepting or otherwise dealing in any bill of exchange, promissory note or other negotiable instrument. The Trustee may secure the repayment of any moneys so raised with interest at such rate as the Trustee thinks fit and upon any terms and conditions in all respect as the Trustee thinks fit, and:

- (a) any money raised by the Trustee will form part of the Fund; and
- (b) interest payable on such borrowings as referred to in this **Rule 8.1** is a proper outgoing of the Fund.

**8.2 Limited Recourse Borrowing**

The Trustee has all the necessary powers to enter into any arrangement that complies, to the extent necessary, with sections 67A and 67B SIS Act and subject to those sections (and without limiting them) the Trustee may:

- 8.2.1 borrow money;
- 8.2.2 maintain an existing borrowing of money;
- 8.2.3 assign, pledge, mortgage or charge assets of the Fund as security for a borrowing or financial accommodation;
- 8.2.4 enter into and execute all documents including documents in connection with acquiring a beneficial interest of an original asset or replacement asset as defined in that section;
- 8.2.5 pay the expenses incurred in any such borrowing from the borrowed money;
- 8.2.6 refinance or vary the terms of a borrowing; and
- 8.2.7 do all such things as may be ancillary or necessary including, without limitation, the variation and transposing of any asset so acquired including such acts and the entering into of such deeds or documents as may be necessary with any person or entity holding or to hold legal title to an asset referred to in that section.

**8.3 Loan Applications & Conditions**

The Trustee may make a loan application to any lender and utilise the services of any custodian and make such arrangements and do such things and execute such documents as may be required to comply with any conditions of approval in respect of such loan.

**8.4 Asset Title**

If an asset is held in the Trustee's name for the Fund, the Trustee may transfer the legal title to a custodian trustee, subject to the Relevant Law, to be held for the Trustee in its capacity as trustee of the Fund.

**9. Estate Planning**

**9.1 Non-Binding Death Benefit Nomination**

9.1.1 A Member may, in writing, notify the Trustee of the manner in which the Member would prefer their Benefit to be distributed upon the Member's death (**'Non-Binding Death Benefit Nomination'**)

9.1.2 The Trustee need not comply with a Non-Binding Death Benefit Nomination.

9.1.3 A Member may vary or revoke a Non-Binding Death Benefit Nomination at any time by providing the Trustee a written revocation of the Non-Binding Death Benefit Nomination or a written variation or a new Non-Binding Death Benefit Nomination.

**9.2 Binding Death Benefit Nomination**

9.2.1 A Member may at any time in writing (the form and content of which writing need not comply with the Relevant Law and which writing may be contained within a testamentary instrument and which may be given to the Trustee after the Member's death and which does not need to be given by the Member personally) direct the Trustee about the manner in which the Member's Benefit is to be distributed upon their death and the Beneficiaries to whom it is to be paid (being persons who would be Dependants and the Member's Legal Personal Representative and any other person authorised by the Relevant Law) and, if to more than one person, in what proportions (**'Binding Death Benefit Nomination'**).

9.2.2 A Member may:

- (a) confirm, vary or revoke a Binding Death Benefit Nomination at any time;
- (b) elect that all or some (as specified by the Member in the Binding Death Benefit Nomination) of the directions in the Binding Death Benefit Nomination shall be binding upon the Trustee.

9.2.3 A Binding Death Benefit Nomination need not contain an express statement that a direction is binding to be binding and it shall be sufficient if it uses words or language that satisfy the Trustee that the direction was intended by the Member to be binding.

9.2.4 A Binding Death Benefit Nomination may:

- (a) be lapsing or non-lapsing as to the whole or part;
- (b) specify a period, event or date after which a direction is to be no longer binding but is to otherwise remain valid;
- (c) specify a period, event or date after which it lapses as to the whole or part;
- (d) contain conditions which must be satisfied or met in order for a Benefit to be paid;
- (e) specify the type, amount and proportion of different components of Benefit to be paid;
- (f) specify whether or not a pension including a reversionary pension is to be provided;
- (g) specify whether or not the Binding Death Benefit Nomination revokes or replaces a previous Member Directed Superannuation Benefit Plan;
- (h) revoke, vary or replace a nomination or direction about the continuation of pension as a reversionary pension upon death of the Member;
- (i) specify the circumstances in which directions intended to be binding are to be treated as no longer binding including but not limited to:
  - (i) the marriage, separation, divorce or death of a Beneficiary;
  - (ii) the marriage, separation, divorce of the Member;
  - (iii) where a Beneficiary consents;
- (j) specify payment of a Benefit to a trust in which the beneficiaries are limited to those persons who are the Member's death benefit dependant as defined by section 302-195 of the Tax Act.

9.2.5 Unless expressed to the contrary, a Binding Death Benefit Nomination requiring a Benefit to be paid to a spouse of a Member will be revoked if proceedings have commenced, or will be commenced, under the *Family Law Act 1975* (Cth) or similar laws seeking a dissolution of the marriage between that Member and the spouse.

9.2.6 Notwithstanding this **Rule 9.2**, any notice in writing concerning the payment of a Member's Benefit upon their death prepared by a Member pursuant to the rules governing the operation and administration of the Fund prior to the adoption of these Rules shall continue to have full force and effect unless and until it lapses or is subsequently revoked, modified, amended or varied.

### 9.3 Member Directed Superannuation Benefit Plan

9.3.1 The Trustee and a Member may enter into an agreement in writing about the payment of a Benefit to Beneficiaries upon the Member's death and which includes terms and conditions of the type set out in **Rule 9.2.4**. ('Member Directed Superannuation Benefit Plan').

9.3.2 The terms of a Member Directed Superannuation Benefit Plan shall form part of these Rules as between the Member and the Trustee and shall be read together with the Rules as follows:

- (a) subject to the Relevant Law, the Member Directed Superannuation Benefit Plan prevails over any Binding Death Benefit Nomination by the Member unless the Binding Death Benefit Nomination expressly revokes or replaces the Member Directed Superannuation Benefit Plan made under this **Rule 9.3**;
- (b) the Member Directed Superannuation Benefit Plan replaces any previous Member Directed Superannuation Benefit Plan made by the Member and the Trustee;
- (c) any previous Binding Death Benefit Nomination given by the Member is to be treated as not in effect for the purposes of **Rule 9.2** and **Rule 14.9.3**;
- (d) subject to the Relevant Law, the terms of the Member Directed Superannuation Benefit Plan are to prevail if there is any inconsistency between the Member Directed Superannuation Benefit Plan and the Rules; and
- (e) if part of a Member Directed Superannuation Benefit Plan is invalid because a Beneficiary is not eligible to receive a Benefit under the Relevant Law then that part of the Benefit shall be distributed in accordance with **Rule 14.9.7**.

9.3.3 A Member may confirm, vary or revoke a Member Directed Superannuation Benefit Plan.

#### **9.4 Reversionary Pension**

Subject to the Relevant Law and **Rule 9.5.2**, the Trustee must comply with any terms and conditions contained in a pension or a Binding Death Benefit Nomination or a Member Directed Superannuation Benefit Plan made under these Rules or any equivalent rule contained in prior rules concerning the continuation or otherwise of a pension as a reversionary pension upon death of the Member.

#### **9.5 Consistency of Estate Planning**

9.5.1 The Trustee and Member must use their best endeavours to ensure that there is consistency as between all of:

- (a) a Non-Binding Death Benefit Nomination (**Rule 9.1**);
- (b) a Binding Death Benefit Nomination (**Rule 9.2**);
- (c) a Member Directed Superannuation Benefit Plan (**Rule 9.3**); and
- (d) the terms and conditions of any pension (**Rule 9.4** and **Rule 14.5**);

made by or in place for a Member and the Trustee must notify the Member if there is an apparent inconsistency.

- 9.5.2 Subject to the Relevant Law and despite **Rule 9.5** and **Rule 9.2.4(g)**, if in the Trustee's opinion, there is any inconsistency between the terms of a pension, a Binding Death Benefit Nomination or a Member Directed Superannuation Benefit Plan made under the Rules or any equivalent Rule contained in any relevant prior rules, the terms and conditions of whichever of the pension or Binding Death Benefit Nomination or Member Directed Superannuation Benefit Plan is dated or was signed on the most recent date is to prevail to the extent of the inconsistency.

**10. Fund Accounts**

**10.1 Fund Accounts**

The Trustee must keep Accounts and reserves that the Trustee considers appropriate for the purpose of administering the Fund and calculating the Benefit payable to each Member.

**10.2 Member Accounts**

The Trustee must keep separate Accounts for each Member and if necessary, separate Accounts for the purposes of:

- 10.2.1 differentiating between contributions made by a Member and contributions made by others for the benefit of the Member;
- 10.2.2 differentiating between a Member's preserved and non-preserved benefits;
- 10.2.3 calculating the tax free and taxable components of a Member's Benefit within the meaning of the Relevant Law;
- 10.2.4 identifying particular assets which are funding a Member's pension;
- 10.2.5 enabling Members to have one or more pensions; and
- 10.2.6 any other purpose as the Trustee considers appropriate.

**10.3 Crediting and Debiting Member Accounts**

The Trustee may credit or debit (as the case may be) each Member's Accounts with:

- 10.3.1 contributions received from the Member or for the benefit of the Member;
- 10.3.2 income or losses of the Fund as determined by the Trustee;
- 10.3.3 amounts transferred to or from a Reserve of the Fund;
- 10.3.4 amounts transferred to or from an Eligible Fund;
- 10.3.5 the amount of any Splittable Contributions as agreed between the Member and the Trustee;
- 10.3.6 the amount of any payment split that the Trustee is required to apply in accordance with the *Family Law Act 1975 (Cth) (Part VIII B)*;

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- 10.3.7 any Taxes, expenses or liabilities in relation to the contributions received in respect of the Member;
- 10.3.8 any Taxes, expenses or liabilities of the Fund that the Trustee considers appropriate;
- 10.3.9 any Benefit paid to the Member or any other person as approved by the Trustee;
- 10.3.10 any premiums and other expenses of any insurance policies in respect of the Member;
- 10.3.11 any proceeds of insurance effected for the benefit of the Member;
- 10.3.12 any other amount which shall be credited or debited for the purposes of the Rules; and
- 10.3.13 any other amounts that the Trustee considers appropriate.

### **10.4 Reserves**

The Trustee may establish and maintain the following reserve accounts:

- 10.4.1 a reserve for smoothing any fluctuations in the value and earnings of investments of the Fund;
- 10.4.2 a taxation reserve for making provision for any existing or prospective liability for Taxes or any other liability;
- 10.4.3 such reserves or liability accounts to assist the Trustee to identify the value of assets that may be exchanged or segregated as either current pension assets, non-current pension assets or that are dealt with as a different sub-fund, segment or partition; and
- 10.4.4 such other reserves and accounts for any other purpose the Trustee considers appropriate.

## **11. Fund Expenses, Taxation and Insurance**

### **11.1 Expenses**

- 11.1.1 Except as otherwise provided, all expenses relating to the establishment, administration, operation or winding up of the Fund will be borne by the Fund and paid by the Trustee out of the assets of the Fund.
- 11.1.2 The Trustee may debit Member Accounts, Reserves and any other Accounts as it considers appropriate to reflect the payment, or the provision of expenses and notwithstanding anything expressed or implied to the contrary in the Rules, the expenses of the Fund shall be distributed in a fair and reasonable manner as between all Members and in determining what is fair and reasonable the Trustee may have regard to whether such expenses were to the benefit or detriment of some or one, but not all, of the Members.



**11.2 Taxes**

- 11.2.1 The Trustee must pay all Taxes assessed to the Fund.
- 11.2.2 The Trustee may deduct from a Member's Account, a Reserve or any other Account any Taxes referable to:
  - (a) contributions made to the Fund for the benefit of a Member;
  - (b) earnings attributed to a Member's Account;
  - (c) any Benefit from which the Trustee considers Taxes may be payable.
- 11.2.3 The Trustee may deduct from a Member's Account any Excess Contributions Tax payable by that Member in accordance with **Rule 6.4**.
- 11.2.4 Subject to the Relevant Law, the Trustee may allocate any refund of Taxes to a Member's Account, Reserve or other Account.

**11.3 Insurance**

- 11.3.1 The Trustee may establish and implement an insurance plan for the Benefit of the Fund to enable the Fund to make payments (including the payment of Benefits on a Member's death or disability) to a Member, a Member's Dependant or the Legal Personal Representative of a Member in the event of a Member's death, disablement, illness or otherwise as permitted by the Relevant Law.
- 11.3.2 If permitted by the Relevant Law, the Trustee may self insure. For clarity, the Trustee may elect to self insure so long as the insured benefit is fully supported by an insurance policy provided by an external insurer.
- 11.3.3 The Trustee is prohibited from providing insured benefits other than those that are consistent with the conditions of release in the SIS Regulations for death, terminal medical condition, permanent incapacity or temporary incapacity.
- 11.3.4 The Trustee has absolute discretion as to the application of any insurance proceeds received by the Fund and may allocate the insurance proceeds to any Member's Account or to Reserves held in the Fund.
- 11.3.5 No Member nor their Legal Personal Representative nor any other person has any interest in any insurance proceeds that might be received by the Fund.
- 11.3.6 If a Benefit would ordinarily include an insured component under an insurance policy (for example a benefit payable on the Member's death or disablement): but
  - (a) no amount is paid under that policy; or
  - (b) the amount paid under the policy is less than the amount that would ordinarily be payable:

the amount payable to the Member may be adjusted accordingly.

11.3.7 This Rule is:

- (a) for the protection of the Trustee and the Fund; and
- (b) not to be taken as conferring any rights on Beneficiaries in respect of benefits additional to those conferred under other provisions of this Deed.

11.3.8 Where under any prior rules governing the Fund provision was made for purchasing policies of any type of insurance and paying the premiums of those insurance policies, the Trustee may, in their absolute discretion, continue those policies and do such things as may be necessary in that regard, subject to the Relevant Law.

11.3.9 The Trustee, in their absolute discretion, may vary the policies, subject to the Relevant Law.

## **12. Records and Reports**

### **12.1 Records and Accounts to be kept**

The Trustee must in such manner and form and at such time as required by the Relevant Law:

- 12.1.1 keep appropriate minutes of meetings;
- 12.1.2 keep account of all moneys received by or for, and disbursed from, the Fund and of all dealings of the Fund;
- 12.1.3 collect and promptly pay into a bank or other account of the Fund all moneys due to the Fund;
- 12.1.4 keep appropriate records, books and accounts, having regard to the requirements of the Relevant Law;
- 12.1.5 make suitable arrangements for the custody of documents relating to the investments of the Fund;
- 12.1.6 details of any order or agreement for a payment split that the Trustee is required to apply in accordance with the Part VIII B of the *Family Law Act 1975 (Cth)*; and
- 12.1.7 prepare accounts, returns and statements in relation to the Fund as at the end of the Financial Year.

### **12.2 Audit**

The Trustee must appoint an Auditor to audit the accounts and statements of the Fund and to report in writing to the Trustee in respect of such audit within the time specified by the Relevant Law.

**12.3 Inspection of records**

The Trustee must allow Members to inspect such documents and information as required by the Relevant Law.

**12.4 Report to Regulator**

The Trustee shall provide to the Regulator such reports required from time to time by the Relevant Law. The Trustee shall give to the Regulator notice of changes to the Fund in such form and in such manner as specified by the Relevant Law that the Trustee must give to the Regulator.

**13. Transfers of Benefits**

**13.1 Transfers within the Fund**

The Trustee with the consent of the Member when required by the Relevant Law, may pay or transfer in the form, money or assets of the Fund or a combination of both, all or part of the Member's interest or entitlement in the Fund to another Member's Account provided that:

- 13.1.1 the payment or transfer is not prohibited by the Relevant Law;
- 13.1.2 the Member shall be deemed to have consented to payment or transfer if the payment or transfer is required by the Relevant Law; and
- 13.1.3 the payment or transfer is made in accordance with the provisions, if any, of the Relevant Law.

**13.2 Transfers to Other Funds**

Subject to the Rules and the Relevant Law, the Trustee may pay or transfer to an Eligible Fund all or part of a Member's interest or entitlement to Benefits in the Fund on terms and conditions determined by the Trustee:

- 13.2.1 when requested by the Member;
- 13.2.2 when permitted or required by the Relevant Law whether or not requested or consented to by the Member and the Member shall be deemed to have consented to such payment or transfer; and

such payment or transfer may be in the form of money or assets of the Fund or a combination of both.

**13.3 Benefits Cease**

If a payment or transfer is made under **Rule 13.2**:

- 13.3.1 the payment or transfer will satisfy the Member's interest or entitlement to those Benefits to the extent of the amount paid or transferred;
- 13.3.2 the receipt of the payment or transfer by the trustee of the Eligible Fund will discharge the Trustee with respect to any liabilities referable to the amount paid or transferred; and

- 13.3.3 after the payment or transfer, the Trustee will not be responsible for the future application of the particular amount.

**13.4 Transfers from Other Funds**

- 13.4.1 Upon a Member's request, the Trustee may accept a payment or transfer of money or assets from an Eligible Fund:

- (a) on such terms and conditions imposed by the Eligible Fund;
- (b) on such terms and conditions determined by the Trustee; and
- (c) which is not prohibited by the Relevant Law.

- 13.4.2 The Trustee shall have regard to the provisions governing the preservation of benefits in the Eligible Fund to ensure that any Benefit arising from the assets transferred will only be paid to or in respect of the Member in circumstances similar to those provided for in the provisions governing the Eligible Fund:

- (a) if the Eligible Fund is an overseas pension scheme or foreign superannuation fund, to the extent required by foreign law; and
- (b) to extent required by the Relevant Law.

- 13.4.3 Subject to the requirements of this **Rule 13.4** and the Relevant Law, the Trustee will credit the Member's Accounts in the manner agreed between the Trustee and the Member with the money or assets paid or transferred under this **Rule 13.4**.

**13.5 Transfers from UK Registered Pension Schemes**

- 13.5.1 Despite **Rule 14**, this **Rule 13.5** only applies if any Recognised Transfer Amounts have been accepted and are held by the Trustee pursuant to **Rule 13.4** from a registered pension scheme in the United Kingdom.

- 13.5.2 Subject to this **Rule 13.5**, a Member is only entitled to receive a Benefit sourced from a Recognised Transfer Amount when the Member is permitted by the UK Regulations and the Trustee must not pay a Benefit sourced from a Recognised Transfer Amount to a Member until that time.

- 13.5.3 If a Recognised Transfer Amount is held by the Trustee, this **Rule 13.5** may be amended only if, after the amendment, the amended Rule would continue to comply with the QROPS Requirements.

- 13.5.4 A Recognised Transfer Amount may be transferred to an Eligible Fund in accordance with **Rule 13.2** only where the provisions governing the Eligible Fund contain provisions to the same effect as this **Rule 13.5** in respect of a Recognised Transfer Amount.

- 13.5.5 If a Recognised Transfer Amount is held by the Trustee, the Trustee must do all necessary things to comply with the QROPS Requirements.

**14. Benefits**

**14.1 When Payable**

14.1.1 Subject to the Relevant Law and these Rules, a Benefit may be paid when:

- (a) the Member has reached the Preservation Age;
- (b) the Member has reached the Retirement Age;
- (c) the Member has ceased to be Gainfully Employed;
- (d) the Member suffers Temporary Incapacity; or
- (e) the Member suffers Permanent Incapacity.
- (f) the Member suffers from a Terminal Medical Condition;
- (g) the Member has died;
- (h) there are compassionate grounds;
- (i) a First Home Super Saver Scheme benefit as provided in the Relevant Law is permitted; or
- (j) such other events or circumstance allow a Benefit to be paid.

14.1.2 A Benefit must be paid by the Trustee if required under the Relevant Law.

**14.2 Method of Payment**

14.2.1 A Benefit may be paid:

- (a) in a lump sum;
- (b) by way of one or more pensions;
- (c) by an in specie transfer of assets of the Fund;
- (d) in any other way permitted by the Relevant Law; or
- (e) as a combination of any of the above.

14.2.2 The Trustee may pay the whole or part of a Benefit by the payment or transfer of money or assets of the Fund but must pay a Benefit in a particular way if required by the Relevant Law.

**14.3 Payment Conditions**

14.3.1 The Trustee may impose any reasonable conditions regarding payment of Benefits, such as requiring a Member or the Member's Legal Personal Representative to produce evidence of entitlement.

14.3.2 A Benefit must not be paid if doing so would result in the Fund not complying with the Relevant Law.

**14.4 Lump Sum**

14.4.1 The Trustee may, at its discretion, pay a part of or all of a Benefit as a lump sum if requested by a Member.

14.4.2 The lump sum Benefit may be paid:

- (a) in money as a single payment or in instalments; or
- (b) by an in specie transfer of assets of the Fund of equivalent value, with the value determined on an arms' length basis at the date of transfer.

14.4.3 Subject to **Rule 14.4.4**, the amount of any lump sum Benefit must not:

- (a) exceed the balance of the Member's Accounts; or
- (b) be less than any amount required under the Relevant Law.

14.4.4 Subject to the Trustee's discretion, in addition to any lump sum Benefit paid under **Rule 14.4.2**, the Trustee may pay an amount from a Reserve of the Fund to a Member.

**14.5 Pension**

14.5.1 The Trustee may, at its discretion, pay part of or all of a Benefit as a pension if requested by a Member or if required by the Relevant Law.

14.5.2 Subject to the Relevant Law and **Rule 14.6**, a pension will be paid subject to the following:

- (a) payment shall be in such amounts and on such terms and conditions as agreed in writing by Trustee and the Member;
- (b) a pension may include a nomination or direction about the continuation of the pension as a reversionary pension upon death of the Member;
- (c) a pension may be subject to or varied by a Binding Death Benefit Nomination made under **Rule 9.2** or Member Directed Superannuation Plan made under **Rule 9.3**;
- (d) the Trustee with the consent of the Member may at any time vary the terms and conditions of a pension including a variation which adds, removes or replaces any nomination or direction about the continuation of the pension as a reversionary pension upon death of the Member;
- (e) a variation of a pension shall not create a new pension unless expressly provided otherwise in writing;
- (f) the terms and conditions of a pension shall form part of the Rules.

**14.6 Pension Conditions**

14.6.1 Any standards with respect to the payment of pensions contained in the Relevant Law are incorporated in, and form part of the Rules.

- 14.6.2 Any pension paid to a Member must be provided pursuant to any standards contained in the Relevant Law.
- 14.6.3 In providing a pension to a Member, and subject to **Rule 14.6.1** and the Trustee's discretion, the Trustee may apply any amount from the Member's Account and/or a Reserve of the Fund.
- 14.6.4 If a pension is also an Asset Test Exempt Pension, the relevant provisions of the Social Security Act 1991 or the Veterans' Entitlements Act 1986 apply to the extent of any inconsistency to ensure the pension qualifies or continues to qualify as an Asset Test Exempt Pension.

**14.7 Recommencement of a Ceased Pension**

Subject to the Relevant Law, if a pension has ceased because any minimum pension payment requirement of the Relevant Law has not been satisfied then that pension shall recommence on the same terms and conditions as the ceased pension on the first day of July following the day that the pension ceased.

**14.8 Commutation**

- 14.8.1 The Trustee may, in its discretion, commute a part or the whole of a Benefit if requested by a Member however if a Benefit is subject to a cashing restriction the Trustee shall ensure the Benefit is only commuted in accordance with the Relevant Law.
- 14.8.2 The Trustee must not commute a part or the whole of a Benefit if the commutation will cause the Fund to breach the Relevant Law.
- 14.8.3 Any commutation amount may be applied by the Trustee:
  - (a) to pay a lump sum Benefit to the Member;
  - (b) to pay one or more pensions to the Member;
  - (c) be allocated to the Member's Accounts; or
  - (d) in any other way not prohibited by the Relevant Law.

**14.9 Death Benefits**

- 14.9.1 On the death of a Member but subject to any Binding Death Benefit Nomination or a Member Directed Superannuation Benefit Plan:
  - (a) the Trustee shall not exercise any discretion or power concerning the payment of a death benefit unless:
    - (i) the prior written consent of the Legal Personal Representative of the deceased Member has been obtained to the manner and form of payment and to whom payment is to be made; or
    - (ii) the Legal Personal Representative of the deceased Member is a Trustee or director of a Corporate Trustee;

- (b) the Trustee may continue to pay to the Legal Personal Representative any pension paid to the deceased Member;
  - (c) the Trustees may pay or transfer a death benefit to an Eligible Fund for payment to a Dependant in a manner permitted by the Relevant Law;
  - (d) the Trustees may transfer a death benefit to a trust in which the beneficiaries of such trust are limited to those persons who are death benefits dependants as defined in section 302-195 of the Tax Act.
- 14.9.2 The Trustee may comply with a Non-Binding Death Benefit Nomination of a Member made under **Rule 9.1** or any equivalent Rule contained in prior Rules of the Fund provided that the payment is permitted by the Relevant Law.
- 14.9.3 The Trustee must comply with a Binding Death Benefit Nomination of a Member made under **Rule 9.2** or any equivalent Rule contained in prior Rules of the Fund provided that the payment is permitted by the Relevant Law.
- 14.9.4 The Trustee must comply with a Member Directed Superannuation Benefit Plan of a Member made under **Rule 9.3** or any equivalent Rule contained in any prior Rules of the Fund provided that the payment is permitted by the Relevant Law.
- 14.9.5 The whole or part of a Member's Benefit payable on death that is not subject to or is not permitted to be paid pursuant to a Binding Death Benefit Nomination or a Member Directed Superannuation Benefit Plan shall be paid by the Trustee in accordance with **Rule 14.9.7** and **Rule 14.9.8**.
- 14.9.6 If there is any inconsistency between a pension or a Binding Death Benefit Nomination or a Member Directed Superannuation Benefit Plan then **Rule 9.5.2** applies
- 14.9.7 Subject to **Rule 14.9.1(a)**, **Rule 14.9.3**, **Rule 14.9.4** and the Relevant Law, the Trustee must distribute the balance of the Member's Accounts as a death benefit in such manner, form or type and in such proportions as the Trustee may in the absolute discretion of the Trustee decide to:
  - (a) one or more Dependants; or
  - (b) the Legal Personal Representative; or
  - (c) any other persons permitted by the Relevant Law; or
  - (d) a combination of any of the above.
- 14.9.8 Subject to **Rule 14.9.6**, if the terms and conditions of a pension payable to the Member include a reversion to another person then the Trustee must pay the pension in accordance with **Rule 9.4**.
- 14.9.9 Subject to the Relevant Law, and notwithstanding any other provision of this **Rule 14.9**, the Trustee may in its absolute discretion pay an additional amount from other Accounts and/or reserve, to the Legal Personal Representative or one or more of the deceased's Dependants.



14.9.10 Any additional amount paid as contemplated in **Rule 14.9.9** will not form part of the Member's death benefit.

**14.10 Suspension of Benefit**

The Trustee may suspend, alter or withhold any Benefit where a Member or Dependant:

14.10.1 fails to provide any information or to do anything contemplated by **Rule 5.5.1** or if provided is carelessly incorrect, or deliberately misleading; or

14.10.2 otherwise fails to comply with the other provisions of the Rules or the requirements of the Relevant Law.

**14.11 Preserved Benefits**

Nothing in the Rules requires or permits the payment of a Benefit to a Member where the Relevant Law requires that Benefit to be preserved.

**15. Family Law Splitting and Flagging**

**15.1 Complying with Agreements and Orders**

15.1.1 The Trustee shall only be obliged to comply with any request for information, agreement or order made under Part VIII B of the *Family Law Act 1975 (Cth)* to the extent permitted or required by the Relevant Law.

15.1.2 The Trustee may impose a fee for the administrative costs associated with complying with an agreement or order made under Part VIII B of the *Family Law Act 1975 (Cth)* and such fee shall be payable by such persons and in such proportions as prescribed by the Relevant Law or Part VIII B of the *Family Law Act 1975 (Cth)*. The Trustee may add interest, at a rate the Trustee determines, to any unpaid fee that the Trustees impose and may debit the interest to a Benefit or interest that the relevant Member or person deemed to be a Member has in the Fund.

15.1.3 Nothing in the Rules shall impose a duty or obligation upon the Trustees to admit as a Member of the Fund any person being a party to an agreement or order made under Part VIII B of the *Family Law Act 1975 (Cth)* who is not already a Member of the Fund and the Trustee may transfer to an Eligible Fund any Benefit to which such person is entitled.

15.1.4 Notwithstanding anything contained in the Rules, a Benefit payable to a Member or Dependant under the Rules shall be subject to any agreement or order made under Part VIII B of the *Family Law Act 1975 (Cth)* applying to that Benefit.

**15.2 Information Request**

Upon written application for information about a superannuation interest by an eligible person in the manner prescribed by Part VIII B of the *Family Law Act 1975 (Cth)* together with such other properly completed prescribed supporting documentation and upon the payment of any fee permitted to be imposed by the Trustee, the Trustee will provide information about the superannuation interest in the prescribed form.

**16. Termination of the Fund**

**16.1 Termination**

The Fund will be terminated on such date determined by the Trustee if the Regulator requires the Fund to be terminated or if the Trustee resolves to terminate the Fund in any of the following circumstances:

- 16.1.1 the Trustee decides to terminate the Fund;
- 16.1.2 there are no Members in the Fund; or
- 16.1.3 if all the Members request the Trustee to terminate the Fund.

**16.2 Application of Assets**

Subject to the Relevant Law, the Trustee must apply the assets of the Fund, to the extent that there are sufficient assets to do so, in the following priority:

- 16.2.1 towards the costs of administering and winding up the Fund;
- 16.2.2 in paying or transferring a Member's Benefit in accordance with these Rules;
- 16.2.3 any remaining amounts to be paid by the Trustee to Members, Dependants, former Members, deceased Members or Legal Personal Representatives, in such proportions as the Trustee in its discretion determines is appropriate; and

the receipt by any person of any amount under this **Rule 16.2** will be in full discharge of any claims in respect of the Fund.

**17. Alteration of the Deed and Rules**

**17.1 Amendment**

Subject to **Rule 17.2** and **Rule 17.3**, the Trustee may by deed at any time and from time to time amend all or any of the provisions of the Deed or these Rules, provided that the amendment does not:

- 17.1.1 vary the main purpose of the Deed and Rules being:
  - (a) to establish a Regulated Superannuation Fund; and
  - (b) to provide benefits to Members on retirement or to the Dependants of Members in the event of death before retirement of the Member; or
- 17.1.2 have the effect of reducing any Benefit that has accrued or has become payable to a Member before the amendment taking effect unless:
  - (a) the reduction is required due to Tax payable on income of the Fund;
  - (b) the reduction is required to enable compliance with the Relevant Law;
  - (c) the reduction is approved in writing by the affected Members; or
  - (d) the Regulator has approved the reduction in writing.

**17.2 Amendment Restrictions**

Notwithstanding **Rule 17.1** and subject to **Rule 17.3**, no amendment of all or any of the provisions of the Deed or the Rules shall be made by the Trustee:

- 17.2.1 which would permit the sole or primary purpose of the Fund to be other than the provision of Old-Age Pensions while the Trustee is one or more individuals; or
- 17.2.2 which would permit the Trustee to be other than a Constitutional Corporation while the sole or primary purpose of the Fund is other than the provision of Old-Age Pensions; or
- 17.2.3 without the consent in writing of the Legal Personal Representative of a deceased Member if the death benefit payable in respect of the deceased Member has not been paid.

**17.3 Amendments requiring Consent of Members and Others**

Notwithstanding **Rule 17.1**, no amendment of the Deed or the Rules shall be made by the Trustee except with the written consent of Members or, if a Member is unable to give written consent, with the written consent of the Legal Personal Representative of that Member, which would have the effect of:

- 17.3.1 amending **Rule 17.2** or **Rule 17.3**;
- 17.3.2 altering the existing terms and conditions of:
  - (a) a pension payable to the Member or their Dependants;
  - (b) a Binding Death Benefit Nomination made by the Member; or
  - (c) a Member Directed Superannuation Benefit Plan;
- 17.3.3 amending **Rule 13.5** if a Recognised Transfer Amount has been accepted by the Trustee and the amendment would result in the Fund failing to comply with the QROPS Requirements;
- 17.3.4 changing the restrictions contained in **Rule 7.5** during any period that the Trustee holds Member Contributed Property.

**17.4 Amendments Subject to the Relevant Law**

Notwithstanding anything in this Rule, the Deed and the Rules cannot be amended if the amendment is contrary to the Relevant Law.

**17.5 Trustee Act 1936 (SA)**

The provisions of section 35B of the *Trustee Act 1936 (SA)* shall not apply.

**18. Definitions**

In the Deed and Rules unless the contrary intention appears:

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- 18.1 **'Account'** means an account established by the Trustee for the purpose of administering the Fund or calculating the Benefit payable in respect of a Member or for any other purpose under the Deed or Rules;
- 18.2 **'Ancillary Purposes'** means those purposes that are defined in subsection 62(1)(b) of the SIS Act;
- 18.3 **'Asset Test Exempt Pension'** means a pension that is exempt from or excluded from the assets test in whole or part under the Social Security Act 1991 or the Veterans' Entitlements Act 1986 (and any applicable regulations);
- 18.4 **'Auditor'** means an 'approved SMSF auditor' (as defined by subsection 10(1) of the SIS Act) appointed for the purposes of auditing the Fund;
- 18.5 **'Beneficiary'** includes Members and any person entitled at the relevant time to receive a payment from the Fund in respect of a Member and any other person who is a Beneficiary for the purposes of the SIS Act;
- 18.6 **'Benefit'** means the benefits payable or that may be payable to or for a Member or their Dependants or any other person under the Deed, Rules or the Relevant Law;
- 18.7 **'Complying Self Managed Superannuation Fund'** means a Fund that satisfies the requirements of section 42A of the SIS Act;
- 18.8 **'Constitutional Corporation'** means a trading or financial corporation formed within the limits of the Commonwealth (within the meaning of paragraph 51(xx) of the Commonwealth of Australia Constitution Act);
- 18.9 **'Core Purposes'** means those purposes for which the Fund is established that are defined in subsection 62(1)(a) of the SIS Act;
- 18.10 **'Corporate Trustee'** means a body corporate (including a Constitutional Corporation) that is a trustee of the Fund;
- 18.11 **'Deed'** means the deed establishing the Fund and as amended;
- 18.12 **'Dependant'** has the meaning in subsection 10(1) of the SIS Act;
- 18.13 **'Disqualified Person'** has the same meaning as in section 120 of the SIS Act;
- 18.14 **'Eligible Fund'** means a superannuation fund, an approved deposit fund, an eligible rollover fund, a rollover annuity, or any other like fund or annuity which the acceptance of monies or assets from, or the payment or transfer of monies or assets to, would not, in the opinion of the Trustee, be in breach of the Relevant Law;
- 18.15 **'Excess Contributions Tax'** means any tax imposed by reason of the Superannuation (Excess Concessional Contributions Tax) Act 2007 (Cth) or the Superannuation (Excess Non-Concessional Contributions Tax) Act 2006 (Cth) or successor legislation;
- 18.16 **'Financial Year'** means a period of twelve (12) months ending on 30 June or such other period ending on a date determined by the Trustee;

- 18.17 **'Gainfully Employed'** means employed or self-employed for gain or reward in any business, trade, profession, occupation, vocation or calling on a full time or part time basis and **'Gainful Employment'** has a corresponding meaning;
- 18.18 **'Fund'** means all of the assets from time to time held by the Trustee upon the trusts contained in the Deed;
- 18.19 **'Individual Policy'**, in relation to a Member, means a life insurance policy or an interest in a group life insurance policy which the Trustees have nominated as being held specifically for the purpose of providing benefits in respect of that Member and which may include an insurance policy over the life of a person other than that Member;
- 18.20 **'Legal Personal Representative'** in relation to a Member or a Trustee being an individual means a person who:
- 18.20.1 the executor of a Will or administrator of the estate of a deceased Member including any person named as the executor in a Will of the deceased Member even though no grant of representation has issued or is required to administer the estate of the deceased Member provided the Trustees are satisfied that it is the last Will of the deceased Member; or
  - 18.20.2 holds an enduring power of attorney granted by a Member or the Trustee; or
  - 18.20.3 has been appointed by law to act as the legal personal representative of a Member or a Trustee but does not include any person appointed under the laws of bankruptcy;
- 18.21 **'Member'** means a person who has been admitted to membership of the Fund and who has not ceased to be a Member of the Fund and any person required by the Relevant Law to be treated as a Member of the Fund and, where the context permits, includes:
- 18.21.1 the Legal Personal Representative of a Member under a legal disability; or
  - 18.21.2 a parent or guardian of a Member under a legal disability by reason of age and who does not have a Legal Personal Representative;
- 18.22 **'Member Contributed Property'** means dutiable property for the purposes of the Duties Act 1997 (NSW) and the Duties Act 2008 (WA) which is transferred to the Trustee by a Transferor and, in respect of which property, duty has been assessed and paid under either section 62A of the Duties Act 1997 (NSW) or section 122 of the Duties Act 2008 (WA) and includes the proceeds of the sale of the whole or part of any such property;
- 18.23 **'Old-Age Pension'** means an old age pension for the purposes of paragraph 51(xxiii) of the Commonwealth of Australia Constitution Act;
- 18.24 **'Permanent Incapacity'** in relation to a Member, subject to the Relevant Law, has the same meaning as that contained in any insurance policy effected to cover Permanent Incapacity of the Member and in force at the time of the incapacity or where there is no such insurance policy means ill-health (whether physical or mental) which the Trustee after having regard to the requirements of the Relevant Law is reasonably satisfied the Member is unlikely to engage in Gainful Employment for which the Member is reasonably qualified by education, training or experience;
- 18.25 **'Preservation Age'** means:

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18.25.1 for a person born before 1 July 1960 – 55 years; or

18.25.2 for a person born during the year 1 July 1960 to 30 June 1961 – 56 years; or

18.25.3 for a person born during the year 1 July 1961 to 30 June 1962 – 57 years; or

18.25.4 for a person born during the year 1 July 1962 to 30 June 1963 – 58 years; or

18.25.5 for a person born during the year 1 July 1963 to 30 June 1964 – 59 years; or

18.25.6 for a person born after 30 June 1964 – 60 years;

18.26 **'QROPS Requirements'** means any requirements under laws relating to superannuation funds that the Fund must satisfy to be a qualifying recognised overseas pension scheme under section 169 of the UK Regulations;

18.27 **'Recognised Transfer Amount'** means the amount transferred to the Fund or a previous superannuation arrangement in respect of a Member as a recognised transfer under section 169 of the UK Regulations;

18.28 **'Regulated Superannuation Fund'** has the same meaning as contained in section 19 of the SIS Act;

18.29 **'Regulator'** means the Commissioner of Taxation or any person or entity appointed to regulate a Self Managed Superannuation Fund as described in section 10(1) of the SIS Act and in respect of Recognised Transfer Amounts means the Board of Inland Revenue and HM Revenue & Customs of the United Kingdom;

18.30 **'Relevant Law'** means:

18.30.1 the Superannuation Industry (Supervision) Act 1993 (Cth) ('SIS Act');

18.30.2 the Income Tax Assessment Act 1997 (Cth) ('Tax Act');

18.30.3 the Corporations Act 2001 (Cth) ('Corporations Act');

18.30.4 any successor acts and all Regulations made pursuant to the above Acts including the Superannuation Industry (Supervision) Regulations 1994 (Cth) ('SIS Regulation');

18.30.5 in respect of Recognised Transfer Amounts such parts of the UK Regulations which the Fund must satisfy in order for the Fund to satisfy QROPS Requirements;

18.30.6 any other legislation, requirements, standards, guidelines, rulings or announcements which must be complied with or that the Trustee considers desirable to comply with in order for the Fund to be a regulated and complying superannuation fund;

18.31 **'Reserve'** has the meaning given to it by **Rule 10.4**;

18.32 **'Retirement Age'** means:

18.32.1 age 65; or

- 18.32.2 such other age at which benefits can generally be paid from a regulated superannuation fund under the Relevant Law even if a Member has not ceased Gainful Employment;
- 18.33 **'Review Date'** means the final day of each Financial Year and/or any other date the Trustee determines in its absolute discretion;
- 18.34 **'Rules'** means the rules of the Fund in this Deed.
- 18.35 **'Shortfall Component'** has the meaning given to that term in the Superannuation Guarantee (Administration) Act 1992 (Cth);
- 18.36 **'Splittable Contribution'** has the meaning given to that term in SIS Regulation 6.42;
- 18.37 **'State Trust Law'** means whichever of the Trustee Act 1958 (VIC), the Trustee Act 1925 (NSW), the Trustees Act 1962 (WA), the Trusts Act 1973 (QLD), the Trustee Act 1936 (SA), the Trustee Act 1898 (TAS), the Trustee Act 1925 (ACT) and the Trustee Act 1893 (NT) apply to the Fund or any other Commonwealth, State or Territory legislation of like effect that may apply;
- 18.38 **'Superannuation Entitlement'** in relation to a Member generally means the total amount of all superannuation lump sums that could be payable to the Member by the Fund at any time or it is such other interest as defined in section 995-1(1) of the Tax Act as determined by the Trustee with reference to section 307-200 of the Tax Act;
- 18.39 **'Taxes'** includes income tax (including capital gains tax) land tax, goods and services tax, stamp duty and any other taxes or duties;
- 18.40 **'Temporary Incapacity'** in relation to a Member, subject to the Relevant Law, who has ceased to be Gainfully Employed (including a Member who has ceased temporarily to receive any gain or reward under a continuing arrangement for the Member to be Gainfully Employed), means ill-health (whether physical or mental) that caused the Member to cease to be Gainfully Employed or which otherwise qualifies as temporary disablement (or its equivalent) under the Relevant Law but does not constitute Permanent Incapacity;
- 18.41 **'Terminal Medical Condition'** has the meaning given by SIS Regulation 6.01A;
- 18.42 **'Transferor'** means a Member or Members together who transfer Member Contributed Property to the Trustee;
- 18.43 **'Trustee'** or **'Trustees'** means the trustee(s) for the time being of the Fund and where the context permits includes the director of a Corporate Trustee; and
- 18.44 **'UK Regulations'** means the Finance Act 2004 (United Kingdom) and regulations made by the Board of Inland Revenue of the United Kingdom.

## 19. Interpretation

In the Deed and Rules unless the contrary intention appears:

- 19.1 the **singular** includes the plural and vice versa;
- 19.2 a **gender** includes all other genders;

## MARK AND ECHO'S RETIREMENT FUND

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- 19.3 a reference to a **person** includes any company, partnership, joint venture, trust, association, government, or public authority and vice versa;
- 19.4 a reference to a **person** that comprises two or more persons means those persons jointly and severally;
- 19.5 a reference to **amend** includes to add to, modify, vary, replace or delete and **amendment** and **amending** have corresponding meanings;
- 19.6 a reference to a **document** is to that document as amended, novated, supplemented, varied or replaced from time to time and includes any annexures, schedules and appendices to that document, except to the extent prohibited by that document;
- 19.7 a reference to **conduct** includes any act, omission, representation, statement or undertaking whether or not in writing;
- 19.8 a reference to **pay** includes to credit or distribute;
- 19.9 mentioning anything after **include, includes** or **including** does not limit what else might be included;
- 19.10 a reference to any **legislation** or legislative provision includes any statutory modification, substitution or re-enactment and any subordinate legislation issued under that legislation or provision;
- 19.11 any term used but undefined in the Rules which is defined in the Relevant Law has the same meaning that it has in the Relevant Law;
- 19.12 the **headings** and sub-headings are for convenience only and do not affect the interpretation of these Rules.

## 20. Compliance with the Relevant Law

### 20.1 Inconsistency

If there is any inconsistency between the provisions of the Deed, the Rules and the Relevant Law, the Relevant Law will prevail to the extent of any such inconsistency.

### 20.2 Power to Act in Accordance with Relevant Law

The Trustee has the power to do, or omit to do, all acts and things as the Trustee considers necessary for the Fund to be a Complying Self Managed Superannuation Fund.

### 20.3 Deemed Inclusion of Relevant Law

Despite any provision of the Deed or the Rules, all the provisions of the Relevant Law that must be included in the Deed and the Rules from time to time in order for the Fund to qualify or remain as a Complying Self Managed Superannuation Fund under the Relevant Law are deemed to be included in the Deed and the Rules as if every such provision was set out in the Deed and the Rules but only for so long as that deemed inclusion is necessary for the Fund to qualify or remain a Complying Self Managed Superannuation Fund under the Relevant Law.



**21. General**

**21.1 Failure to enforce rights**

The failure or omission of the Trustee to enforce or require strict compliance with a provision of the Deed or the Rules does not affect or impair the Trustee's right to subsequently enforce or require strict compliance with that provision or to avail itself of any remedies it may have in respect of any breach of that provision.

**21.2 Preservation of rights**

All rights given to a Member under the Deed or the Rules are cumulative of each other and in addition to and do not abrogate, limit or reduce any other rights that beneficiary may have at law, under any other agreement, or otherwise.

**21.3 Further assurance**

The Trustee must promptly execute all documents and do all things to effect, perfect or complete the Deed and all transactions incidental to it.

**21.4 Governing law**

The Deed and Rules are governed by the laws of the State or Territory nominated in the Deed and the Commonwealth of Australia but if no laws of a State or Territory is nominated in the Deed shall be the laws of the State or Territory nominated by the Trustee by resolution or deed. The Trustee may at any time by resolution or deed nominate that the laws of a different State or Territory will apply.

**21.5 Severance**

Subject to **Rule 17.4**, a provision of the Deed or the Rules that is invalid or unenforceable must be severed. All other provisions of the Deed and the Rules continue to be valid and enforceable in accordance with their terms.

**PRODUCT DISCLOSURE STATEMENT**

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**MARK AND ECHO'S RETIREMENT FUND**

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To obtain a copy of this statement and a copy of any document that is applied, adopted or incorporated by this statement you may telephone the Trustee whose number is below.

Telephone Number

\_\_\_\_\_ *(The Trustee must insert their relevant telephone number here.)*

Issued by the Trustee on: \_\_\_\_\_

## PRODUCT DISCLOSURE STATEMENT (PDS)

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This PDS is a summary of significant information and contains a number of references to important information. You should consider this information before making a decision about the product.

The material relating to your SMSF may change between the time when you read this Statement and the day when you sign the application form for membership.

**The information provided in the Product Disclosure Statement is general information only and does not take account of your personal financial situation or needs. You should obtain financial advice tailored to your personal circumstances.**

Accordingly, this document should not be relied on as advice.

### 1. ABOUT YOUR SELF-MANAGED SUPERANNUATION FUND (SMSF)

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Superannuation is to provide you with income for your retirement.

Your SMSF is established by the Trustee and the initial Member(s) signing a trust deed and contributions being paid to the Trustee who then invests that money as part of your super to provide retirement benefits to you.

For your Fund to be a SMSF it must meet several requirements. The requirements can vary depending on whether your Fund has individual Trustees or a corporate Trustee.

If your Fund has individual Trustees, the following must apply:

- it has no more than six members;
- each Member is a Trustee and each Trustee is a Member;
- no Member is an employee of another Member, unless they are relatives of one another; and
- no Trustee is paid for their duties or services as a Trustee.

If your Fund has a corporate Trustee, the following must apply:

- It has no more than six members;
- each Member of the Fund is a director of the corporate Trustee;
- each director of the corporate Trustee is a Member of the Fund;
- no Member is an employee of another Member, unless they are relatives of one another;
- the Trustee is not paid for its services as a Trustee; and
- no director of the corporate Trustee is paid for their duties or services as director in relation to the Fund.

Single Member Funds: If you have a corporate Trustee of a single Member Fund, the Member needs to be one of the following:

- the sole director of the corporate Trustee;
- one of only two directors, where the Member is;
  - a relative to the other director; or
  - not an employee of the other director.

A single Member Fund can also have two individuals as Trustees. The Member must be one of the individual trustees, and the Member and other trustee are relatives, or the Member is not an employee of the other trustee.

See paragraph 17A (6) of the *Superannuation Industry (Supervision) Act 1993* ("SIS Act") and regulation 1.04AA of the *Superannuation Industry (Supervision) Regulations 1994* ("SIS Regulations") for an extended definition of "employee".

If a Member is under 18, they cannot be a Trustee and special rules apply.

If you are a new trustee or newly appointed director of a corporate trustee, you need to sign the Trustee Declaration within 21 days of your appointment to show that you understand your duties as a trustee of an SMSF. To obtain a copy of the Trustee declaration (NAT 71089) see the ATO website. Professional advice should be sought in relation to the succession to the trusteeship of the Fund in the event of your death or your inability to continue to act as trustee or director of a corporate trustee.

Investments are made by the Trustee and are pooled with contributions made to the Fund in respect of any other Members.

A SMSF Trustee is ultimately responsible for running your SMSF. It is important that the Trustee understands the duties, responsibilities and obligations of being a Trustee or director of a corporate Trustee.

Members can, generally speaking, withdraw their investment in a superannuation fund (called a "Benefit") when they retire after reaching preservation age (see below). Generally, benefits can also be paid if a Member dies or becomes totally and permanently disabled or if they are entitled to a transition to retirement pension. This means that you should only invest in superannuation money you can afford to put away until later.

## **2. HOW SUPER WORKS**

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Superannuation is a means of saving for retirement which is, in part, compulsory.

There are different types of contributions that may be paid to the Trustee of the Fund. For example, employer contributions, voluntary contributions by you and government co-contributions. Before you make any contributions, you should speak to your professional advisers to ensure that you do not breach any contribution caps or transfer limits. There may be taxation consequences or other sanctions if you breach these caps. More information can be found on the ATO website.

There are limitations on contributions to, and withdrawals from, superannuation. More information on these limitations can be found on the ATO's website.

Tax savings are provided by the Government.

Most people have the right to choose into which Fund their employer should direct their superannuation guarantee contributions which are currently 9.5% of your ordinary earnings.

### **Withdrawing Benefits**

Benefits are generally for your retirement and normally cannot be paid out in cash unless you meet a condition of release.

A condition of release includes but not limited to reaching preservation age when a transition-to-retirement income stream may be commenced, retiring after reaching preservation age, death, permanent incapacity, attaining age 65 years, terminal illness and severe financial hardship. Benefits cashed before they are unrestricted non-preserved will not be taxed concessional and will be taxed at your marginal tax rate.

Any contributions made on or from 1 July 1999 are preserved benefits. Neither preserved, nor restricted non-preserved benefits may be accessed until a condition of release has been satisfied. Preserved benefits may be cashed voluntarily only if a condition of release is met and subject to any cashing restrictions by the condition of release. Cashing restrictions tell you what form the benefits must be taken. Benefits in the Fund when all the conditions of release are met are called unrestricted non-preserved benefits. Generally, only unrestricted non-preserved benefits can be cashed by you from the Fund.

Your preservation age is worked out from the table below:

<b>Birth Date</b>	<b>Preservation Age</b>
Born before 01/07/1960	55
Born 01/07/1960 to 30/06/1961	56
Born 01/07/1961 to 30/06/1962	57
Born 01/07/1962 to 30/06/1963	58
Born 01/07/1963 to 30/06/1964	59
Born on or after 01/07/1964	60

When you are entitled to receive your benefit, it may be paid as a lump sum or pension or a combination.

Generally, the amount that can be paid is the amount in your member account less tax. A licensed financial adviser can advise in relation to the net amount of your benefits that can be accessed.

Where your benefit is being paid as a pension, the Trustee may pay your benefit by any type of income stream permissible including account-based pensions. Transition to retirement pensions may be paid if you have not retired, however, there are limitations and conditions.

You may transfer your investment in the Fund to another complying superannuation fund or retirement savings account at any time.

If you die, your death benefit will be paid by the Trustee to your estate or your dependants as the Trustee decides. If you sign and give to the Trustees, a valid binding death benefit nomination, it will be paid as you nominate. If you sign a non-binding death benefit nomination, it will be taken into account by the Trustees, but the Trustees will have the final decision. The provisions of the SIS Act regarding the lapsing of a binding death benefit nomination after three years do not apply to self-managed superannuation funds. You should regularly review your binding death benefit nomination especially when there is a change in your family circumstances. You should also obtain professional advice before making any death benefit nomination.

If you were receiving a pension on your death that included a reversionary beneficiary, then the pension may continue to be paid to that dependant provided they are entitled to receive it under the superannuation laws. These persons are generally your spouse, de facto spouse, or child provided they are under age 18 or aged 18 to 24 and were 'financially dependant' on you, or a person with whom you were in an interdependency relationship (see regulation 1.04AAAA SIS Regulations), at the time of your death. Otherwise generally the death benefit will be paid as a lump sum except in the case of a dependant who is disabled as defined under the Disability Services Act 1986. If you wish to nominate a reversionary beneficiary to a pension, you must obtain professional advice. Documentation will be necessary. Your pension and death benefit nomination should not conflict.

### **3. BENEFITS OF INVESTING IN A SELF-MANAGED SUPER FUND**

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This paragraph covers the SMSF in respect of which you have been given an application for Membership so that you may become a Member of the Fund.

The Fund's significant features and benefits are:

- As a Member and also a Trustee or director of the corporate Trustee, you may have more control over investments and greater flexibility by comparison with being a Member of an industry fund or a retail fund that is not a SMSF where you would not be a Trustee and where you may usually have general investment options only.
- Fees may be lower; however, this will depend usually upon where the funds are invested and the costs of running the SMSF.
- SMSFs may perform better than industry and retail funds. The Trustee may be able to make quick changes to the investment portfolio if investment conditions change.
- A SMSF may have greater flexibility in establishing and managing pensions. It may give you the ability to transfer personally owned listed securities and business real property directly into the Fund. It has the ability to own business real property that may, in appropriate circumstances and conditions in superannuation law, be rented for your business.
- A SMSF may be able to borrow money to purchase real estate or shares where the security is limited to the single asset being acquired, subject to certain conditions in superannuation law.
- A SMSF has estate planning benefits by allowing family members to combine their assets in the Fund to grow for retirement.
- The SMSF provides retirement benefits usually in the form of lump sums or pensions and may provide income streams as a transition to your retirement.

### **4. RISKS OF SUPER**

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Benefits are not guaranteed and are dependent generally on investment returns.

All investments carry risk.

Different strategies may carry different levels of risk, depending on the assets that make up the strategy.

Assets with the highest long-term returns may also carry the highest level of short-term risk.

The significant risks of SMSF investment are in summary:

- (a) the value of investments will vary;
- (b) the level of returns will vary, and future returns may differ from past returns;
- (c) returns are not guaranteed, and you may lose some or all of your money;
- (d) superannuation laws may change in the future including caps (limits) on how much may be contributed to the fund, and how much of the fund may be tax free;
- (e) the amount of your future superannuation savings (including contributions and returns) may not be enough to provide adequately for your retirement;
- (f) the level of risk for you will vary depending on a range of factors, including:
  - (i) age;
  - (ii) investment time frames;
  - (iii) where your other wealth is invested; and
  - (iv) your risk tolerance.

Other significant risks of joining a SMSF are in summary:

- (a) There is a risk of theft or fraud and there is no insurance that will cover you for theft or fraud.
- (b) Costs associated with running a SMSF with smaller account balances (for example less than \$200,000) can be significant and uncompetitive compared with other available super options.
- (c) Rates of tax on superannuation contributions and benefits may increase.
- (d) If the Fund has a variety of transactions and types of investments, the costs can be relatively higher than a public super fund due to their economies of scale.
- (e) If you have money in a fund now and plan to transfer that money to this Fund then, if you have existing life insurance in that fund, you may not be able to obtain life insurance at comparable rates outside the Fund or inside it.

- (f) You usually cannot access a super benefit payment from your SMSF until you reach your retirement age. You may be able to access pension payments when you reach preservation age subject to superannuation and tax laws. If you make voluntary contributions, you should ensure you will not need the money until you are able to meet a condition of release.

If the Trustee fails to comply with the superannuation and tax laws, which are complex, penalties may apply, and your super may be reduced or fail to perform as well as it should. Additional tax may be payable from your super or by you. The ATO may take action that may include:

- (a) education directions;
- (b) enforceable undertakings;
- (c) rectification directions;
- (d) administrative penalties;
- (e) disqualifying a trustee;
- (f) imposing civil and criminal penalties;
- (g) allowing the Fund to wind up;
- (h) issuing notices of non-compliance; and/or
- (i) freezing the Fund's assets.

More information can be obtained from the ATO website and from your professional adviser.

## **5. HOW THE TRUSTEE WILL INVEST YOUR MONEY**

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The Trustee of the SMSF will invest your money. The rules of the Fund permit a very broad range of investments and no particular investment option is offered. The Trustee must determine an investment strategy and should obtain professional advice for that purpose. The investment strategy must be reviewed regularly and revised if necessary and the Trustee must consider whether a contract of insurance, Insuring a Member should be held by the Trustees.

Once the investment strategy is determined, investments must be made in accordance with that strategy. Professional advice should be sought to determine particular investments.

You, as a Member, are not required to determine how super is invested, however, as a Trustee, or a director of a corporate Trustee you must do so. If you as a Member do not request the Trustee to invest in a particular manner the Trustee will invest as the Trustee sees fit and in accordance with the Fund's investment strategy. It may be possible to have a separate investment strategy relating to your own interest in the Fund.

You should be aware that superannuation legislation imposes some strict limitations on the type of assets that can be invested in or acquired. Breaches of these laws can lead to severe penalties.

If you need help about investing generally, speak to a licensed financial adviser.

### **WARNING**

**You must consider:**

- (a) The likely investment return; and**
- (b) The risk; and**
- (c) Your investment timeframe when investing.**

Labour standards or environmental, social or ethical considerations are not taken into account in the selection, retention or realisation of investments relating to this Fund unless these have been added at paragraph 10.

**If the Fund has been previously operating and a new member is to be admitted, the Trustee must also attach to this PDS, statements and information that a new member could reasonably require to decide whether to join the Fund. This would include and is not limited to, the Fund's financial statements, its investment strategy or strategies and any other information that may be material to a decision to join the Fund.**

## **6. FEES AND COSTS**

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### **DID YOU KNOW?**

**Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns.**

**For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from \$100 000 to \$80 000). You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.**

**Your employer may be able to negotiate to pay lower administration fees. Ask the fund or your financial adviser.**

### **TO FIND OUT MORE**

If you would like to find out more or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** website ([www.money.smart.gov.au](http://www.money.smart.gov.au)) has a superannuation calculator to help you check out different fee options.

As there are no investment options set out in the rules of the SMSF there are no costs or fees detailed here with respect to investment options.

Initial set-up costs will include the costs of the trust deed and initial documentation. As a Trustee or as a director of a corporate Trustee, you will be aware of the costs for your Fund. The Trustees will also need accounting and relevant professional advice. You will be aware of these initial costs as you are a Trustee or a director of a corporate Trustee.

There will also be annual ongoing costs (which are likely to increase each year) such as the ATO supervisory levy of \$259 yearly costs for existing funds from 1 July 2018) accountancy fees to prepare financial accounts, audit fees, preparation and lodgement of annual taxation returns, tax advice and transaction costs on brokerage.

No fees and costs are charged by the Trustee for its services, however, where others are engaged to carry out work, such as accountants, financial planners and solicitors (and commissions on investments) then those costs are payable by the Trustee from the Fund and are usually debited to member accounts on a proportionate basis unless, for example, a particular amount is payable owing to a particular investment that has been made as requested by a particular member and for that member only.

Fees and costs of investments are available from the Trustee when an investment has been determined. They are usually set out in a PDS relating to the proposed investment.

### **WARNING**

**Additional fees may be paid to a financial adviser if a financial adviser is consulted.**

**If a financial adviser is consulted, please refer to the Statement of Advice given to the Trustee in which details of the fees applicable should be set out.**

## **7. HOW SUPER IS TAXED**

The ATO website has information on the taxation of superannuation. A brief summary of significant tax information is set out below, however, you should always seek taxation advice from a professional adviser. The Trustee is generally responsible for paying or withholding tax to the ATO.

### **Tax on Contributions**

When a contribution is made that is tax deductible (a concessional contribution) to the contributor, who may for example be you (if you are self-employed) or your employer (if you are an employee) then tax at 15% is payable from your Member account by the Trustees and this is usually paid quarterly to the ATO and will be included as assessable income of the SMSF.

Division 293 tax is an additional tax on super contributions which reduces the tax concession for individuals whose combined income and contributions are greater than the Division 293 threshold, which as from 1 July 2017 is \$250,000. It is charged at an additional 15% i.e. a total of 30% on the tax deductible contributions.

### **Tax on Excess Contributions**

#### **WARNING**

**There will be taxation consequences if the contribution caps applicable to superannuation are exceeded. Professional advice should be obtained by you before contributing to the Fund.**

Contribution caps are legal maximum limits on the amount of contributions that may be made by you and others for you that are taxed at a lower rate.

Contributions in excess of the respective caps may be taxed at higher rates. The amount of tax you pay on the excess amount depends on which cap you exceed. There may be other requirements or penalties imposed by the ATO if you exceed these limits.

### **Tax on Fund Earnings**

When the Fund earns income on its investments it must pay tax to the ATO. The rate is usually a maximum rate of 15% on these earnings and your account will be debited with the tax on the earnings on your interest in the Fund. These are usually paid quarterly and annually as appropriate by the Trustee from your Member account. If you commence certain types of pensions, tax may or may not be payable on the investment income arising from assets used to support a pension depending on a number of different factors. Professional advice should be obtained.

### **Tax on Withdrawal of Benefits**

If you withdraw money from the Fund as a lump sum or a pension, the amount may be tax free or tax may be payable.



To determine if your super withdrawal will be taxed, you need to know:

- Your preservation age and the age you will be when you get the payment;
- Whether the money in your super account is tax-free or taxable; and
- Whether you will receive the payment as an income stream or lump sum.

Super money that is tax-free when withdrawn is known as the 'tax-free component' of your super. Super money that is taxable when withdrawn is known as the 'taxable component' of your super.

The taxable component may consist of a taxed element and/or an untaxed element, depending on whether the benefit is paid from a taxed or untaxed source. Your super fund can tell you how much of the money in your super account is tax-free or taxable; and professional advice should be obtained.

Whether the money in your super account is tax-free or taxable when you withdraw it generally depends on the type of contributions that have been made and whether tax has been paid on it.

Non-concessional (after-tax) contributions, those made from your income after you paid tax on your income, are tax-free when withdrawn from your super account. Generally, personal contributions that you made from your after-tax income, unless you have claimed a tax deduction for them, are part of the tax-free component of super.

Concessional (before-tax) contributions, those made from your income before you paid tax on your income, are taxable when withdrawn from your super account. These types of contributions include:

- the super contributions that your employer must make for you;
- money that you salary sacrifice into super;
- super contributions that you were allowed to claim a tax deduction for.

For comprehensive tax tables, see the ATO website or obtain professional advice.

#### Tax File Number

##### **WARNING**

**You must provide your tax file number to the Trustee as part of joining the self-managed superannuation fund.**

If a Member does not give their TFN to the Trustee: -

- the Trustee cannot accept any Member contributions or contributions made by your spouse on your behalf without your TFN;
- any Member entitled to superannuation co-contributions may miss out; and
- the Trustee will have to pay additional income tax (called "TFN contributions tax") on some types of contributions made on that Member's behalf;
- the Trustee must return all Member contributions to the person or entity who paid them within 30 days of becoming aware that the Trustee should not have accepted those contributions unless it receives the TFN within that time period.

## **8. INSURANCE IN YOUR SUPER**

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Speak to the Trustee if you desire insurance and the Trustee should seek professional advice. The Trustee may offer and effect insurance for Members. If insurance is offered, the details are below.

*(If nothing is added below, the Trustee does not intend to offer insurance to Members.)*

## **9. HOW TO OPEN AN ACCOUNT**

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You join the fund by signing the application for membership and giving that to the Trustee. Contributions must be paid to the Trustee to commence your membership. There is no cooling-off period applicable to joining the Fund.

You may make a complaint in writing or verbally to the Trustee whose contact details are shown on this PDS. Redress is via the Courts if the issue cannot be resolved.

## **10. LABOUR STANDARDS, ENVIRONMENTAL, SOCIAL OR ETHICAL CONSIDERATIONS**

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The Trustee will inform you if labour standards or environmental, social or ethical considerations are or will be taken into account when the Trustee selects, retains or realises an investment. **Unless you are notified otherwise, the Trustee does not take any such considerations into account, however, the Trustee may incorporate those things into their investment strategy.**

*(If nothing is added here, these are not taken into account – see paragraph 5.)*

**DECLARATION AND CONSENT TO ACT AS DIRECTOR OF TRUSTEE COMPANY  
UNDER SECTION 118 OF THE  
SUPERANNUATION INDUSTRY (SUPERVISION) ACT 1993**

I, MARK STEPHEN PERRETT of 15 TOMKINS RD, PORT MELBOURNE, VIC 3207 as director of MARK AND ECHO'S RETIREMENT PTY LTD - ACN 668 166 354 of 15 TOMKINS RD, PORT MELBOURNE, VIC 3207 state as follows:

1. I am not a disqualified person as defined by the *Superannuation Industry (Supervision) Act 1993 (SIS Act)* and am not disqualified from acting as trustee or as a responsible officer of a trustee company under the SIS Act or related legislation;
2. I am aware of my role and responsibilities as a director of MARK AND ECHO'S RETIREMENT PTY LTD - ACN 668 166 354 of 15 TOMKINS RD, PORT MELBOURNE, VIC 3207 (**Trustee**), which acts or will acts as trustee for the MARK AND ECHO'S RETIREMENT FUND (**Fund**), including:
  - (a) my role and responsibilities under the trust deed and any governing rules of the Fund (**Trust Deed**), which I have read and understood; and
  - (b) my responsibilities under the SIS Act, the *Superannuation Industry (Supervision) Regulations 1994 (SIS Regs)* and related legislation;
3. I have had the opportunity to meet with legal, financial and accounting advisors, and am satisfied that membership in the Fund is appropriate to my circumstances and needs;
4. I consent to act as a director of the Trustee;
5. I agree to execute the Trust Deed, and to administer the Fund as a director of the Trustee in accordance with the terms and conditions set out in the Trust Deed (as amended from time to time) and all legislative requirements, including but not limited to those under the SIS Act and the SIS Regs;
6. I agree to notify any other directors of the Trustee in writing if I am for any reason disqualified from continuing to act as a trustee or director of a trustee company of a superannuation fund; and
7. I declare the information provided above is true and correct and it is my responsibility to inform any other directors of any error or changes regarding these matters.

**The Trustee**

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Signed, Sealed and Delivered by MARK AND ECHO'S RETIREMENT PTY LTD - ACN 668 166 354 by:



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**MARK STEPHEN PERRETT**  
Director

\* Note re Disqualified Person (section 120, SIS Act):

A disqualified person who is an individual includes:

1. persons who have at any time been convicted of an offence in respect of dishonest conduct;
2. persons against whom a civil penalty order was made; or
3. a person who is an insolvent under administration (for example, an undischarged bankrupt).

A disqualified person that is a body corporate includes:

1. a body corporate that knows, or has reasonable grounds to suspect, that a person who is, or is acting as, a responsible officer of the body corporate is a disqualified person;
2. a body corporate where a receiver and manager has been appointed in respect of property beneficially owned by the body;
3. body corporate where an official manager or deputy official manager has been appointed in respect of the body;
4. a body corporate where a provisional liquidator has been appointed in respect of the body; or
5. a body corporate that has begun to be wound up.

Note - A director of a trustee company of a superannuation fund must not be a disqualified person as described above.

**APPLICATION FOR MEMBERSHIP OF  
MARK AND ECHO'S RETIREMENT FUND**

**Full Name:** MARK STEPHEN PERRETT  
**Address:** 15 TOMKINS RD, PORT MELBOURNE, VIC 3207  
**Date of Birth:** 28 July 1973  
**Sex:** Male

I apply for membership of the **MARK AND ECHO'S RETIREMENT FUND (Fund)** and state or warrant as follows as a condition of my application:

- 1 I am not bankrupt.
- 2 I have had the opportunity to meet with legal, financial and accounting advisors, and am satisfied that membership in the Fund is appropriate to my circumstances and needs.
- 3 I understand that if I am accepted as a member, my membership may be subject to restrictions and/or classifications.
- 4 I understand that I may only contribute to the Fund if I am eligible under the superannuation laws to do so, and this includes any contributions made by other parties on my behalf.
- 5 I understand that membership in a self managed superannuation fund (**SMSF**) carries with it risks, including but not limited to risks associated with disagreement with other members, liquidity and investment risks, and such other risks which follow the nature of a SMSF arrangement and I am comfortable becoming a member, notwithstanding those risks.
- 6 I agree that, unless I provide notice to the Trustee in writing, I do not require any insurance to be held within the Fund in respect of me.
- 7 I undertake to provide any relevant information or documentary evidence to the Trustee and agree to submit to health and medical tests as and when requested by the Trustee.
- 8 I acknowledge the Trustee may collect my personal identification documents and Tax File Number (**TFN**), which will be treated as confidential in accordance with the *Privacy Act 1988 (Cth)* (**Privacy Legislation**) and will only be used for legal purposes, including:
  - a providing information to the Australian Taxation Office;
  - b paying employment termination payments;
  - c amalgamating superannuation benefits; and
  - d providing information to other superannuation funds receiving any benefits I may select (unless I ask in writing for it to be withheld).
- 9 My Tax File Number is: 186 316 737.
- 10 I authorise the Trustee to retain and store information on my behalf despite any provision to the contrary in any privacy legislation.

11 I agree to all of the terms and conditions set out in the trust deed for the Fund, as amended from time to time.

12 I declare that the information I provide to the Trustee is true and correct. I acknowledge it is my responsibility to inform the Trustee of any error or changes regarding these matters.

I hereby authorise my current employer to deduct from my salary such amounts (if any) as are from time to time agreed upon by myself and my employer as contributions to be made by me to the abovementioned Fund.

I hereby apply to make contributions to the Fund and agree to be bound by the trust deed and rules governing the Fund.

### **NOMINATION OF BENEFICIARIES**

---

(If you wish to make a Binding Death Benefit Nomination please submit it separately)

Whilst I acknowledge the discretion the Trustees have to determine who the benefit is paid to, I hereby nominate the following persons to receive the benefit payable by the Trustees of the Fund in the event of my death:

<b>Name and Address</b>	<b>Relationship to member</b>	<b>Proportion of benefit</b>
_____	_____	_____ %
_____	_____	_____ %

### **The Member**

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Signed by MARK STEPHEN PERRETT:




**MARK STEPHEN PERRETT**  
Member

Dated: 29-5-23

# Trustee declaration

To be completed by new trustees and directors of corporate trustees of self-managed super funds.

-  We strongly recommend you undertake a free trustee education course before reading and signing this declaration. For more information visit [ato.gov.au/smsf](https://ato.gov.au/smsf) and search 'approved education courses'.



## Who should complete this declaration?

You must complete this declaration if you become a trustee or director of a corporate trustee (trustee) of:

- a new self-managed super fund (SMSF)
- an existing SMSF.

You must sign this declaration within 21 days of becoming a trustee or director of a corporate trustee of an SMSF.

A separate declaration is required to be completed and signed by each and every new trustee.

You must also complete the declaration if you:

- have undertaken a course of education in compliance with an education direction
- are a legal personal representative who has been appointed as trustee on behalf of a:
  - member who is under a legal disability (usually a member under 18 years old)
  - member for whom you hold an enduring power of attorney
  - deceased member.

## Understanding your obligations

We have a range of services available to help you understand your obligations and keep up to date with the latest news for SMSF trustees.

To subscribe to our news and alerts service visit [ato.gov.au/smsf](https://ato.gov.au/smsf) and search 'news and alerts'.

For more information on free approved trustee education courses visit [ato.gov.au/smsf](https://ato.gov.au/smsf) and search 'approved education courses'.

## Before completing this declaration

Before you complete and sign this declaration, make sure you:

- read each section
- understand all the information it contains.

▶ If you have any difficulties completing this declaration or you do not fully understand the information it contains:

- speak to a professional adviser
- visit [ato.gov.au/smsf](https://ato.gov.au/smsf)
- phone us on 13 10 20.

## When completing this declaration

When you complete this declaration, remember to:

- insert the full name of the fund at the beginning
- sign and date it
- ensure it is signed and dated by a witness (anyone 18 years old or over).

## What should you do with the declaration?

You must keep your completed declaration for at least 10 years and make it available to us if we request it.

⚠ Do not send your completed declaration to us unless we request this from you.

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### Published by

Australian Taxation Office  
Canberra  
June 2021

DE-35147





## Self-managed super fund trustee declaration

### I understand that as an individual trustee or director of the corporate trustee of

Fund name

MARK AND ECHO'S RETIREMENT FUND

I am responsible for ensuring that the fund is operated in accordance with the *Superannuation Industry (Supervision) Act 1993* (SISA) and other relevant legislation. The Commissioner of Taxation (the Commissioner) has the authority and responsibility for administering the legislation and enforcing trustees' compliance with the law.

I must keep myself informed of changes to the legislation relevant to the operation of my fund and ensure the trust deed is kept up to date in accordance with the law and the needs of the members.

If I do not comply with the legislation, the Commissioner may take the following actions:

- impose administrative penalties on me
- give me a written direction to rectify any contraventions or undertake a course of education
- enter into agreements with me to rectify any contraventions of the legislation
- disqualify me from being a trustee or director of a corporate trustee of any superannuation fund in the future
- remove the fund's complying status, which may result in significant adverse tax consequences for the fund
- prosecute me under the law, which may result in fines or imprisonment.

### Sole purpose

I understand it is my responsibility to ensure the fund is maintained for the purpose of providing benefits to the members upon their retirement (or attainment of a certain age) or their beneficiaries if a member dies. I understand that I should regularly evaluate whether the fund continues to be the appropriate vehicle to meet this purpose.

### Trustee duties

I understand that by law I must at all times:

- act honestly in all matters concerning the fund
- exercise skill, care and diligence in managing the fund
- act in the best financial interests of all the members of the fund
- keep records of decisions made about the running of the fund, including the appointment of professional advisers and the retirement of members and payment of benefits
- ensure that my money and other assets are kept separate from the money and other assets of the fund
- take appropriate action to protect the fund's assets (for example, have sufficient evidence of the ownership of fund assets)
- refrain from entering into any contract or do anything that would prevent me from, or hinder me in, properly performing or exercising my functions or powers as a trustee or director of the corporate trustee of the fund
- allow all members of the fund to have access to information and documents as required, including details about
  - the financial situation of the fund
  - the investments of the fund
  - the members' benefit entitlements.

I also understand that by law I must prepare, implement and regularly review an investment strategy having regard to all the circumstances of the fund, which include, but are not limited to:

- the risks associated with the fund's investments
- the likely return from investments, taking into account the fund's objectives and expected cash flow requirements
- investment diversity and the fund's exposure to risk due to inadequate diversification
- the liquidity of the fund's investments having regard to the fund's expected cash flow requirements in discharging its existing and prospective liabilities (including benefit payments)
- whether the trustees of the fund should hold insurance cover for one or more members of the fund.

### Accepting contributions and paying benefits

I understand that I can only accept contributions and pay benefits (income streams or lump sums) to members or their beneficiaries when the conditions specified in the law and the fund trust deed have been met.

### Investment restrictions

I understand that, as a trustee or director of the corporate trustee of the fund, subject to certain limited exceptions specified in the law, I am prohibited from:

- giving financial assistance using the resources of the fund to a member of the fund or a member's relative (financial assistance means any assistance that improves the financial position of a person directly or indirectly, including the provision of credit)
- acquiring assets (other than business real property, listed securities, certain in-house assets and acquisitions made under mergers, allowed by special determinations or acquisitions from the trustee or investment manager of another regulated super fund as a result of a breakdown of a relationship) for the fund from members or other related parties of the fund
- borrowing money (or maintaining an existing borrowing) on behalf of the fund except in certain limited circumstances (while limited recourse borrowing arrangements are permitted, they can be complex and particular conditions must be met to ensure that legal requirements are not breached)

- acquiring an in-house asset if the fund's in-house assets exceed 5% of the market value of the fund's total assets, or the in-house assets will exceed 5% of the market value of the fund's total assets by acquiring the asset (in-house assets are loans to, or investments in, related parties of the fund – including trusts – or assets subject to a lease or lease arrangement between the trustee and a member, relative or other related party)
- entering into investments that are not made or maintained on an arm's length (commercial) basis (this ensures the purchase or sale price of the fund's assets and any earnings from those assets reflects their market value).

**Administration**

I understand that the trustees of the fund must:

- keep and retain for at least 10 years
  - minutes of all trustee meetings at which matters affecting the fund were considered (this includes investment decisions and decisions to appoint members and trustees, the retirement of members and payment of benefits)
  - records of all changes of trustees, including directors of the corporate trustee
  - each trustee's consent to be appointed as a trustee of the fund or a director of the corporate trustee
  - all trustee declarations
  - copies of all reports given to members
  - documented decisions about storage of collectables and personal use assets
- ensure that the following are prepared and retained for at least five years
  - an annual statement of the financial position of the fund
  - an annual operating statement
  - copies of all annual returns lodged
  - accounts and statements that accurately record and explain the transactions and financial position of the fund including asset market valuation
  - copies of Transfer balance account reports lodged
  - copies of any other statements you are required to lodge with us or provide to other super funds
- appoint an approved SMSF auditor each year, no later than 45 days before the due date for lodgment of the fund's annual return and provide documents to the auditor as requested
- lodge the fund's annual return, completed in its entirety, by the due date
- review the independent audit report received from the approved SMSF auditor and take action as required
- notify the ATO within 28 days of any changes to the
  - membership of the fund, or trustees or directors of the corporate trustee
  - name of the fund
  - contact person and their contact details
  - postal address, registered address or address for service of notices for the fund
- notify the ATO in writing within 21 days if the fund becomes an Australian Prudential Regulation Authority (APRA) regulated fund.

**DECLARATION**

By signing this declaration I acknowledge that I understand my duties and responsibilities as a trustee or director of the corporate trustee of the self-managed superannuation fund named on this declaration (or if the fund's name changes, that name). I understand that:

- I must ensure this document is retained for at least 10 years or while I remain a trustee or director of the corporate trustee (whichever is longer) and, if I fail to do this, penalties may apply.
- Administrative penalties can be imposed on me for not complying with the legislation
- I may have to make this document available for inspection by a member of staff of the ATO and, if I fail to do this, penalties may apply.
- I do not have access to the government's financial assistance program that is available to trustees of APRA regulated funds in the case of financial loss due to fraudulent conduct or theft.
- I declare that the information provided in the form is true and correct.

Trustee's or director's name

MARK STEPHEN PERRETT

Trustee's or director's signature



Date 29-5-23

Witness' name (witness must be 18 years old or over)

Jayuan Liu

Witness' signature



Date 29-5-23

**DECLARATION AND CONSENT TO ACT AS DIRECTOR OF TRUSTEE COMPANY  
UNDER SECTION 118 OF THE  
SUPERANNUATION INDUSTRY (SUPERVISION) ACT 1993**

I, WENFENG CHEN of 15 TOMKINS RD, PORT MELBOURNE, VIC 3207 as director of MARK AND ECHO'S RETIREMENT PTY LTD - ACN 668 166 354 of 15 TOMKINS RD, PORT MELBOURNE, VIC 3207 state as follows:

1. I am not a disqualified person as defined by the *Superannuation Industry (Supervision) Act 1993 (SIS Act)* and am not disqualified from acting as trustee or as a responsible officer of a trustee company under the SIS Act or related legislation;
2. I am aware of my role and responsibilities as a director of MARK AND ECHO'S RETIREMENT PTY LTD - ACN 668 166 354 of 15 TOMKINS RD, PORT MELBOURNE, VIC 3207 (**Trustee**), which acts or will acts as trustee for the MARK AND ECHO'S RETIREMENT FUND (**Fund**), including:
  - (a) my role and responsibilities under the trust deed and any governing rules of the Fund (**Trust Deed**), which I have read and understood; and
  - (b) my responsibilities under the SIS Act, the *Superannuation Industry (Supervision) Regulations 1994 (SIS Regs)* and related legislation;
3. I have had the opportunity to meet with legal, financial and accounting advisors, and am satisfied that membership in the Fund is appropriate to my circumstances and needs;
4. I consent to act as a director of the Trustee;
5. I agree to execute the Trust Deed, and to administer the Fund as a director of the Trustee in accordance with the terms and conditions set out in the Trust Deed (as amended from time to time) and all legislative requirements, including but not limited to those under the SIS Act and the SIS Regs;
6. I agree to notify any other directors of the Trustee in writing if I am for any reason disqualified from continuing to act as a trustee or director of a trustee company of a superannuation fund; and
7. I declare the information provided above is true and correct and it is my responsibility to inform any other directors of any error or changes regarding these matters.

**The Trustee**

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Signed, Sealed and Delivered by MARK AND ECHO'S RETIREMENT PTY LTD - ACN 668 166 354 by:



---

**WENFENG CHEN**  
Director

\* Note re Disqualified Person (section 120, SIS Act):

A disqualified person who is an individual includes:

1. persons who have at any time been convicted of an offence in respect of dishonest conduct;
2. persons against whom a civil penalty order was made; or
3. a person who is an insolvent under administration (for example, an undischarged bankrupt).

A disqualified person that is a body corporate includes:

1. a body corporate that knows, or has reasonable grounds to suspect, that a person who is, or is acting as, a responsible officer of the body corporate is a disqualified person;
2. a body corporate where a receiver and manager has been appointed in respect of property beneficially owned by the body;
3. body corporate where an official manager or deputy official manager has been appointed in respect of the body;
4. a body corporate where a provisional liquidator has been appointed in respect of the body; or
5. a body corporate that has begun to be wound up.

Note - A director of a trustee company of a superannuation fund must not be a disqualified person as described above.

## APPLICATION FOR MEMBERSHIP OF MARK AND ECHO'S RETIREMENT FUND

**Full Name:** WENFENG CHEN  
**Address:** 15 TOMKINS RD, PORT MELBOURNE, VIC 3207  
**Date of Birth:** 25 August 1972  
**Sex:** Female

I apply for membership of the **MARK AND ECHO'S RETIREMENT FUND (Fund)** and state or warrant as follows as a condition of my application:

- 1 I am not bankrupt.
- 2 I have had the opportunity to meet with legal, financial and accounting advisors, and am satisfied that membership in the Fund is appropriate to my circumstances and needs.
- 3 I understand that if I am accepted as a member, my membership may be subject to restrictions and/or classifications.
- 4 I understand that I may only contribute to the Fund if I am eligible under the superannuation laws to do so, and this includes any contributions made by other parties on my behalf.
- 5 I understand that membership in a self managed superannuation fund (**SMSF**) carries with it risks, including but not limited to risks associated with disagreement with other members, liquidity and investment risks, and such other risks which follow the nature of a SMSF arrangement and I am comfortable becoming a member, notwithstanding those risks.
- 6 I agree that, unless I provide notice to the Trustee in writing, I do not require any insurance to be held within the Fund in respect of me.
- 7 I undertake to provide any relevant information or documentary evidence to the Trustee and agree to submit to health and medical tests as and when requested by the Trustee.
- 8 I acknowledge the Trustee may collect my personal identification documents and Tax File Number (**TFN**), which will be treated as confidential in accordance with the *Privacy Act 1988 (Cth)* (**Privacy Legislation**) and will only be used for legal purposes, including:
  - a providing information to the Australian Taxation Office;
  - b paying employment termination payments;
  - c amalgamating superannuation benefits; and
  - d providing information to other superannuation funds receiving any benefits I may select (unless I ask in writing for it to be withheld).
- 9 My Tax File Number is: 375 861 915.
- 10 I authorise the Trustee to retain and store information on my behalf despite any provision to the contrary in any privacy legislation.

11 I agree to all of the terms and conditions set out in the trust deed for the Fund, as amended from time to time.

12 I declare that the information I provide to the Trustee is true and correct. I acknowledge it is my responsibility to inform the Trustee of any error or changes regarding these matters.

I hereby authorise my current employer to deduct from my salary such amounts (if any) as are from time to time agreed upon by myself and my employer as contributions to be made by me to the abovementioned Fund.

I hereby apply to make contributions to the Fund and agree to be bound by the trust deed and rules governing the Fund.

**NOMINATION OF BENEFICIARIES**

---

(If you wish to make a Binding Death Benefit Nomination please submit it separately)

Whilst I acknowledge the discretion the Trustees have to determine who the benefit is paid to, I hereby nominate the following persons to receive the benefit payable by the Trustees of the Fund in the event of my death:

Name and Address	Relationship to member	Proportion of benefit
_____	_____	_____ %
_____	_____	_____ %
_____	_____	_____ %

**The Member**

---

Signed by WENFENG CHEN:



WENFENG CHEN  
Member

Dated: 29/05/2023

# Trustee declaration

To be completed by new trustees and directors of corporate trustees of self-managed super funds.

- 1 We strongly recommend you undertake a free trustee education course before reading and signing this declaration. For more information visit [ato.gov.au/smsf](https://ato.gov.au/smsf) and search 'approved education courses'.





## Who should complete this declaration?

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A separate declaration is required to be completed and signed by each and every new trustee.

You must also complete the declaration if you:

- have undertaken a course of education in compliance with an education direction
- are a legal personal representative who has been appointed as trustee on behalf of a:
  - member who is under a legal disability (usually a member under 18 years old)
  - member for whom you hold an enduring power of attorney
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- understand all the information it contains.

- ▶ If you have any difficulties completing this declaration or you do not fully understand the information it contains:
  - speak to a professional adviser
  - visit [ato.gov.au/smsf](https://ato.gov.au/smsf)
  - phone us on **13 10 20**.

## When completing this declaration

When you complete this declaration, remember to:

- insert the full name of the fund at the beginning
- sign and date it
- ensure it is signed and dated by a witness (anyone 18 years old or over).

## What should you do with the declaration?

You must keep your completed declaration for at least 10 years and make it available to us if we request it.

- ⓘ Do not send your completed declaration to us unless we request this from you.

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You are free to copy, adapt, modify, transmit and distribute this material as you wish (but not in any way that suggests the ATO or the Commonwealth endorses you or any of your services or products).

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Australian Taxation Office  
Canberra  
June 2021

DE-35147



## Self-managed super fund trustee declaration

### I understand that as an individual trustee or director of the corporate trustee of

Fund name

MARK AND ECHO'S RETIREMENT FUND

I am responsible for ensuring that the fund is operated in accordance with the *Superannuation Industry (Supervision) Act 1993* (SISA) and other relevant legislation. The Commissioner of Taxation (the Commissioner) has the authority and responsibility for administering the legislation and enforcing trustees' compliance with the law.

I must keep myself informed of changes to the legislation relevant to the operation of my fund and ensure the trust deed is kept up to date in accordance with the law and the needs of the members.

If I do not comply with the legislation, the Commissioner may take the following actions:

- impose administrative penalties on me
- give me a written direction to rectify any contraventions or undertake a course of education
- enter into agreements with me to rectify any contraventions of the legislation
- disqualify me from being a trustee or director of a corporate trustee of any superannuation fund in the future
- remove the fund's complying status, which may result in significant adverse tax consequences for the fund
- prosecute me under the law, which may result in fines or imprisonment.

### Sole purpose

I understand it is my responsibility to ensure the fund is maintained for the purpose of providing benefits to the members upon their retirement (or attainment of a certain age) or their beneficiaries if a member dies. I understand that I should regularly evaluate whether the fund continues to be the appropriate vehicle to meet this purpose.

### Trustee duties

I understand that by law I must at all times:

- act honestly in all matters concerning the fund
- exercise skill, care and diligence in managing the fund
- act in the best financial interests of all the members of the fund
- keep records of decisions made about the running of the fund, including the appointment of professional advisers and the retirement of members and payment of benefits
- ensure that my money and other assets are kept separate from the money and other assets of the fund
- take appropriate action to protect the fund's assets (for example, have sufficient evidence of the ownership of fund assets)
- refrain from entering into any contract or do anything that would prevent me from, or hinder me in, properly performing or exercising my functions or powers as a trustee or director of the corporate trustee of the fund
- allow all members of the fund to have access to information and documents as required, including details about
  - the financial situation of the fund
  - the investments of the fund
  - the members' benefit entitlements.

I also understand that by law I must prepare, implement and regularly review an investment strategy having regard to all the circumstances of the fund, which include, but are not limited to:

- the risks associated with the fund's investments
- the likely return from investments, taking into account the fund's objectives and expected cash flow requirements
- investment diversity and the fund's exposure to risk due to inadequate diversification
- the liquidity of the fund's investments having regard to the fund's expected cash flow requirements in discharging its existing and prospective liabilities (including benefit payments)
- whether the trustees of the fund should hold insurance cover for one or more members of the fund.

### Accepting contributions and paying benefits

I understand that I can only accept contributions and pay benefits (income streams or lump sums) to members or their beneficiaries when the conditions specified in the law and the fund trust deed have been met.

### Investment restrictions

I understand that, as a trustee or director of the corporate trustee of the fund, subject to certain limited exceptions specified in the law, I am prohibited from:

- giving financial assistance using the resources of the fund to a member of the fund or a member's relative (financial assistance means any assistance that improves the financial position of a person directly or indirectly, including the provision of credit)
- acquiring assets (other than business real property, listed securities, certain in-house assets and acquisitions made under mergers, allowed by special determinations or acquisitions from the trustee or investment manager of another regulated super fund as a result of a breakdown of a relationship) for the fund from members or other related parties of the fund
- borrowing money (or maintaining an existing borrowing) on behalf of the fund except in certain limited circumstances (while limited recourse borrowing arrangements are permitted, they can be complex and particular conditions must be met to ensure that legal requirements are not breached)

- acquiring an in-house asset if the fund's in-house assets exceed 5% of the market value of the fund's total assets, or the in-house assets will exceed 5% of the market value of the fund's total assets by acquiring the asset (in-house assets are loans to, or investments in, related parties of the fund – including trusts – or assets subject to a lease or lease arrangement between the trustee and a member, relative or other related party)
- entering into investments that are not made or maintained on an arm's length (commercial) basis (this ensures the purchase or sale price of the fund's assets and any earnings from those assets reflects their market value).

### Administration

I understand that the trustees of the fund must:

- keep and retain for at least 10 years
  - minutes of all trustee meetings at which matters affecting the fund were considered (this includes investment decisions and decisions to appoint members and trustees, the retirement of members and payment of benefits)
  - records of all changes of trustees, including directors of the corporate trustee
  - each trustee's consent to be appointed as a trustee of the fund or a director of the corporate trustee
  - all trustee declarations
  - copies of all reports given to members
  - documented decisions about storage of collectables and personal use assets
- ensure that the following are prepared and retained for at least five years
  - an annual statement of the financial position of the fund
  - an annual operating statement
  - copies of all annual returns lodged
  - accounts and statements that accurately record and explain the transactions and financial position of the fund including asset market valuation
  - copies of Transfer balance account reports lodged
  - copies of any other statements you are required to lodge with us or provide to other super funds
- appoint an approved SMSF auditor each year, no later than 45 days before the due date for lodgment of the fund's annual return and provide documents to the auditor as requested
- lodge the fund's annual return, completed in its entirety, by the due date
- review the independent audit report received from the approved SMSF auditor and take action as required
- notify the ATO within 28 days of any changes to the
  - membership of the fund, or trustees or directors of the corporate trustee
  - name of the fund
  - contact person and their contact details
  - postal address, registered address or address for service of notices for the fund
- notify the ATO in writing within 21 days if the fund becomes an Australian Prudential Regulation Authority (APRA) regulated fund.

### DECLARATION

By signing this declaration I acknowledge that I understand my duties and responsibilities as a trustee or director of the corporate trustee of the self-managed superannuation fund named on this declaration (or if the fund's name changes, that name). I understand that:

- I must ensure this document is retained for at least 10 years or while I remain a trustee or director of the corporate trustee (whichever is longer) and, if I fail to do this, penalties may apply.
- Administrative penalties can be imposed on me for not complying with the legislation
- I may have to make this document available for inspection by a member of staff of the ATO and, if I fail to do this, penalties may apply.
- I do not have access to the government's financial assistance program that is available to trustees of APRA regulated funds in the case of financial loss due to fraudulent conduct or theft.
- I declare that the information provided in the form is true and correct.

Trustee's or director's name

WENFENG CHEN

Trustee's or director's signature



Date 29/5/2023

Witness' name (witness must be 18 years old or over)

JIAYUAN LIU

Witness' signature



Date 29/5/2023