

Noticing the status of your return changing? Wondering what balancing account means? Your tax return goes through a few different phases before it's finalised - check out our [explainer](#) to know more! First time lodging? No worries! Here's all you need to know about [lodging your return](#).



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Notifying ATO of Winding Up SMSF

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NoelW (Enthusiast)

6 May 2020

I have just finalised my SMSF and all assets and liabilities are zero, the final annual report has been audited and submitted to the ATO, and the refund of tax has been received from ATO. The final annual report was annotated as being the final report and the finish date was included. My question is: Does this satisfy the requirement to notify the ATO that the fund is wound up?

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0

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10 Replies

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Jodie ATO (Community Support)

6 May 2020

Hi [@NoelW](/s/user?u=NoelW)

Thank you for reaching out. If you are winding up your SMSF you need to ensure the following - [Winding up an SMSF](#) (<https://www.ato.gov.au/Super/Self-managed-super-funds/Winding-up/Arrange-a-final-audit-and-complete-your-reporting/>) is the final stage of running an SMSF. Winding up requires dealing with all of the SMSF's assets so that none remain and completing all of the reporting and administrative obligations as a trustee.

When winding up an SMSF, trustee obligations include:

- ensuring all assets and member contributions have been dealt with in accordance with the super laws and the SMSF's trust deed
- paying any outstanding liabilities including the supervisory levy
- completing your transfer balance account reporting
- lodging any outstanding SMSF annual returns
- lodging any outstanding business or instalment activity statements
- issuing PAYG payment summaries and statements if any super lump sum or income stream payments were paid to members (which had tax withheld)
- arranging a final annual audit of the SMSF (before lodging the final SMSF annual return) and

- lodging the final SMSF annual return completing **section A, label 9** of the *SMSF annual return (NAT 71226)* to ensure the wind up is finalised correctly.

The trustees should await confirmation from the ATO that the wind up of the SMSF has been finalised before closing the SMSF's bank account. Any monies received from the lodgement of the final return ~~should be rolled over to the successor fund~~, unless a condition of release has been met.

To confirm that you have met all of your reporting and tax responsibilities, we'll send you a letter stating that we have:

- cancelled your SMSF's ABN
- closed your SMSF's record on our systems.


Do not close your bank accounts until all expected final liabilities have been settled and requested refunds are received. Tax liabilities (including the supervisory levy) can be paid when you lodge the final SMSF annual return.

If all of the above has been completed then it will just be a matter of waiting for the letter from ATO.

Hope this helps,

Regards,

JodieR.

 **Most helpful reply**



Jodie_ATO (Community Support)

6 May 2020

Hi @NoelW (/s/user?u=NoelW),

Thank you for reaching out. If you are winding up your SMSF you need to ensure the following - **Winding up an SMSF** (<https://www.ato.gov.au/Super/Self-managed-super-funds/Winding-up/Arrange-a-final-audit-and-complete-your-reporting/>) is the final stage of running an SMSF. Winding up requires dealing with all of the SMSF's assets so that none remain and completing all of the reporting and administrative obligations as a trustee.

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- lodging the final SMSF annual return completing **section A, label 9** of the *SMSF annual return (NAT 71226)* to ensure the wind up is finalised correctly.

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If all of the above has been completed then it will just be a matter of waiting for the letter from ATO.

Hope this helps,

Regards,

JodieR.

Reply 1



Liked by Bruce4Tax (/s/likes?id=a0J9s000001VtvEAE)



NoelW (Enthusiast)

6 May 2020

Hi Jodie,

Thanks for your response.
 Yes I have done all of the requirements you mention.
 Looks like I just have to wait on the letter confirming the ABN has been cancelled.
 Thank you for your prompt assistance.
 Kind regards,
 Noel

Reply 0



(/s/likes?id=a0J9s000001bByEAI)



Jodie_ATO (Community Support)

6 May 2020

Hi @NoelW (/s/user?u=NoelW),

That's great and your very welcome. Just await the letter of confirmation concerning cancellation of your SMSF's ABN.

If you have not received it within the next few weeks you can [contact us \(https://www.ato.gov.au/about-ato/contact-us/\)](https://www.ato.gov.au/about-ato/contact-us/) to follow up its progress.

Regards,

JodieR.

Reply 0

[\(/s/likes?id=a0J9s0000001htHEAQ\)](/s/likes?id=a0J9s0000001htHEAQ)



Bruce4Tax (Taxicorn)
 Registered Tax Professional
 15 May 2020

Tax liabilities (including the supervisory levy) can be paid when you lodge the final SMSF annual return.

Should be no levy on final SMSF tax return, because each year's levy is prepaid on the prior year's tax return.

M Supervisory levy adjustment for wound up funds

Was the SMSF wound up in 2018-19?

NoLeave M blank. Go to N.Yes

Write \$259.00 at **M**. Make sure you answered **Yes** in section A at **9 Was the fund wound up during the income year?**

An SMSF which was wound up during 2018-19 does not pay the SMSF supervisory levy for 2019-20. Writing \$259 at **M** reduces the levy payable by \$259 since the amount that you write at **M** will be subtracted when you calculate **S Amount due or refundable**.

Reply 0

[\(/s/likes?id=a0J9s0000001bBzFAI\)](/s/likes?id=a0J9s0000001bBzFAI)



NoelW (Enthusiast)
 15 May 2020

Thanks Bruce. I have already done all of that, but your input will almost certainly help others who have similar questions.

Your generously donated efforts to this forum are appreciated by me and I am sure by others also.

Kind regards,

Noel

Reply 0

[\(/s/likes?id=a0J9s0000001htLEAQ\)](/s/likes?id=a0J9s0000001htLEAQ)



TRL (I'm new)
 5 Nov 2020

Morning

In closing a SMSF for family law reasons, can the final taxation return be lodged during current year?

e.g. need to close straight away, -November 2020- can we lodge final return before end of tax year?

thanks

Reply 0

[\(/s/likes?id=a0J9s0000001bDKEAY\)](/s/likes?id=a0J9s0000001bDKEAY)



NoelW (Enthusiast)
 5 Nov 2020

Hi TRL,

Firstly I am not an expert or an accountant so the following is solely from my personal experience.

I would strongly recommend that as you are in a hurry that you use an accountant who can lodge electronically. I did it on paper and it did take quite awhile for the ATO to process it.


Yes, you can lodge the final return at any time as long as you have done all the things that you have to do such as audit etc.

I expect that someone else will also respond to you and will have better advice. My answer to you is mainly to let you know that it is possible to lodge anytime, and to do it electronically.

Good luck.
Noel

Reply 0

<https://community.ato.gov.au/s/question/a0J9s0000001humEAA>

 **Jodie ATO** (Community Support)
5 Nov 2020

Hi @TRL ([/s/user?u=TRL](https://community.ato.gov.au/s/user?u=TRL)),

The SMSF should lodge the final return as soon as practical after winding-up the fund. The SMSF can lodge an early return by using the latest return available. You can lodge a paper return and cross out the 2020FY and insert 2021FY. At Section A label 9 you will need to put the date the fund wound up. You will also need to complete all the administrative requirements to wind up the fund (<https://www.ato.gov.au/Super/Self-managed-super-funds/Winding-up/>).

Once this has been completed you can lodge the final SMSF return.

All the best.

Reply 0

<https://community.ato.gov.au/s/question/a0J9s0000001hunEAA>

 **ggumpshots** (Initiate)
13 Apr 2021 (Edited on: 13 Apr 2021)

1
It was mentioned that the fund is to have no assets when winding up.

Is the best course of action to have no cash (which is an asset) in the smsf bank account at all as well as at the start of the new financial year?

Note. There is only one person in this smsf
Any bills, audit fees or account fees attributed to the SMSF fund after winding up will be paid by that person.

2

What recording mechanism is used to state that the SMSF fund has been wound up on a particular date?

3

What is the process, in the unlikely event that additional funds enter the smsf, after the ATO has signed off and the bank account is closed? e.g. \$500 or \$5000 comes from somewhere 6 months later?

A new bank account will have to be open I assume which might now be far more complicated??
Can the bank account be left open for some extended period of time?

Reply 0

<https://community.ato.gov.au/s/question/a0J9s0000001bESEAY>

 **Bruce4Tax** (Taxicorn)
Registered Tax Professional
13 Apr 2021

Is the best course of action to have no cash (which is an asset) in the smsf bank account at the start of the new financial year?

ATO instructions are to keep bank account open till final tax refund/payable.

Any bills, audit fees or account fees attributed to the SMSF fund after winding up will be paid by that person.

No - SMSF expenses need to be paid out of the SMSF bank account.
Prepay as much as possible, and accrue the rest.

What recording mechanism is used to state that the SMSF fund has been wound up on a particular date?

Letter to ATO confirming wind up.

What is the process, in the unlikely event that additional funds enter the smsf, after the ATO has signed off and the bank account is closed? e.g. \$500 or \$5000 comes from somewhere 6 months later?

This cannot be allowed to happen.

Need to look at this"

<https://www.ato.gov.au/super/self-managed-super-funds/winding-up/> (<https://www.ato.gov.au/super/self-managed-super-funds/winding-up/>).

Reply 0

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