

Collectibles debate blown out of proportion: SMSF Academy

21 June 2011 | by Ashleigh McIntyre



Industry reactions to the draft regulations on collectible investments in self-managed funds have been labelled as “making a mountain out of a molehill”.

Self-managed super fund (SMSF) education provider SMSF Academy’s managing director Aaron Dunn said concerns about the additional compliance costs are valid, but that the changes are necessary to improve the integrity of the system.

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The changes will prevent trustees from enjoying the benefits from their investments in collectibles and are designed to ensure the investments are made to derive a retirement benefit.

“It is a better outcome than that proposed by the Cooper Review, which sought a blanket ban on the acquisition of all collectibles and personal use assets within SMSFs,” Dunn said.

He added that the hype around collectibles was disproportionate to the amount of money the SMSF sector currently has invested in them, with only 0.1 per cent of the \$430 billion of assets invested in collectibles.

Dunn said one area of change that will impose greater costs of more SMSFs was the proposed ban on acquiring shares from related parties, but there had been little debate on the topic.

“While the industry has a right to have input in the future direction of superannuation policy within Australia, arguing the toss on collectibles is really making a mountain out of a molehill,” Dunn said.

“Trustees and their advisers should be happy that they are here to stay – albeit with tighter regulation.”

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