BERNICE'S SERIOUS CHECKLIST

EPISODE 8: SMSF COLLECTIBLES & SOLE PURPOSE AUDIT

SAPIENCE FINANCIAL

CAMPAIGN ASSET · THE HOUSE OF RISK

> **The Structural Reality Check:** Utilising Self-Managed Superannuation Fund assets to decorate commercial offices or derive active personal enjoyment violates Section 62 of the SIS Act. The ATO enforces an absolute boundary around the Sole Purpose Test. Present-day visual or branding usage strips away all tax concessions, exposing the fund value to immediate flat-rate non-compliance taxation penalties.

1. COLLECTIBLE STORAGE & PHYSICAL ASSET BOUNDARIES

- [ ] **1.1 Absolute Physical Separation Moat**
  Are any artwork portfolios, high-value coins, vintage literature, or collectible assets owned by the SMSF currently displayed inside an associated commercial property or private home?

- [ ] **1.2 Third-Party Storage Formalisation**
  Are fund-owned alternative assets held strictly inside a dedicated commercial storage facility, with a verified, arm's-length rental agreement executed in the name of the business trustee?

- [ ] **1.3 Related-Party Financial Clearances**
  Have you avoided paying any maintenance, framing, conservation, or transport storage fees for fund collectibles out of your active trading business accounts?

2. STATUTORY COMPLIANCE RECORDS & TIMELINES

- [ ] **2.1 28-Day Trustee Insurance Mandate**
  Is every alternative asset backed by an independent insurance policy opened explicitly in the name of the SMSF business trustee within 28 days of the initial purchase settlement?

- [ ] **2.2 Documented Independent Valuations**
  Do you maintain current, objective valuation certificates signed by an arm's-length industry specialist to support the asset entries on your annual SMSF balance sheet?

- [ ] **2.3 Written Investment Strategy Synchronisation**

Does your formal, executed SMSF Investment Strategy explicitly outline the explicit risk parameters, acquisition logic, and diversification parameters supporting non-standard illiquid holdings?

3. BUSINESS ISOLATION & PENALTY PREVENTION

- [ ] **3.1 Personal Liability Fine Separation**
Are you aware that personal administrative penalty fines issued by the ATO for Section 62 breaches must be cleared from private bank accounts and can never be reimbursed by fund capital?

- [ ] **3.2 45% Flat Tax Exposure Assessment**
Has your professional accounting desk confirmed that the asset structures are fully insulated from triggering a retroactive non-compliance notice that subjects your fund balance to individual marginal rates?

- [ ] **3.3 Documented Storage Minute Registry**
Does the SMSF documentation include a formal, signed trustee minute register explicitly detailing the exact physical storage coordinates of all non-standard alternative properties?

🛑 IS YOUR RETIREMENT SAFETY SHIELD INTACT BEFORE AN ATO AUDITOR?

If you checked fewer than 10 boxes today, your secondary wealth-preservation engine is exposed to severe compliance clawbacks. Do not wait for a formal automated audit notification to enforce proper asset storage isolation boundaries.

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