

Self-managed Superannuation Fund (SMSF) Establishment

Luka Financial provides a comprehensive SMSF Establishment service.

It is important to note that whilst there are a number of benefits provided by running and operating an SMSF, taking on the work and responsibilities associated with these funds is definitely **not** for everyone, and isn't something that should be considered lightly.

There are many, often complex, rules and regulations which apply in both establishing and operating an SMSF, which includes trustees ongoing responsibilities.

What is Involved

Having reviewed your circumstances, objectives and investment risk appetite, we may advise you to establish an SMSF - This is what is involved.

- **Initial Advice** – Our standard initial advice process, including the provision of a detailed Statement of Advice (SoA), which outlines in detail our recommendations.
- **Education & Understanding** – One-on-one SMSF education session with your Financial Adviser, to help you understand the implications of establishing and operating an SMSF, which gives you the opportunity to ask as many questions as needed.
- **Superannuation Fund Research** – Obtain detailed information from existing superannuation providers to help understand what, if any benefits may be forfeited in the transfer to SMSF.
- **Borrowing Analysis** – Assess the viability and appropriateness of borrowing within the fund to invest into property (if this applies). This includes considering a Limited Recourse Borrowing Arrangement (LRBA). This is a special type of loan given to an SMSF to buy an asset, e.g. property.
- **Fund Trustee Structure** – Explanation and advise on appropriate fund trustee structure .
- **Fund & Entity Names Search** – Assistance with searching for available Fund and entity names.

- **Law Firm Communication** – Liaise with an external law firm to order Trust Deed, trustee company documents (if corporate trustee) and Bare Trust/ Trustee (if required).
- **Accounting Firm Communication** – Liaise with Luka Group or other accounting professionals to apply for Tax File Number and Australian Business Number, elect for the fund to be regulated by ATO, and register for GST (if applicable).
- **Investment Strategy Development** – Advise on and develop an investment strategy for the SMSF.
- **Banking Arrangements** – Assist with the establishment of a SMSF bank account.
- **Personal Insurance Review** – Apply for any recommended personal insurance and/or adjustments to existing policies (if appropriate).
- **Superannuation Administration** – Complete transfer of existing superannuation benefits to SMSF.
- **SMSF Contributions** – Assist with contributions to SMSF (if applicable).

What does it cost?

- Luka Financial advice and implementation as above - \$4,650 standard/\$5,775 with property strategy.
- SMSF documents order \$550 indicative only.
- Trustee company order \$850 (includes ASIC fee) indicative only.
- Luka Group ATO registrations - \$550 indicative only

Property investment costs

- If borrowing to invest, documentation order \$1,350 indicative only.
- Transfer duty as per state/territory requirements.
- Loan application fees (varying lender to lender).
- Property valuation (varying depending on property).

Our advice process



Engagement

The process starts with getting a bit of information about you, we send through 2 quick and easy online questionnaires to be completed before our initial meeting.



Initial meeting (one hour)

We catch up as a formal 'Hello' during this meeting we will have an in-depth discussion about your financial goals and circumstances. We will have prepared some initial projections and strategy ideas to discuss, as well as answer any of your questions. The initial meeting goes for 1 hour and costs a flat fee of \$330.00 (incl GST).



Goals, investments and everything else (2 - 4 hours)

If we are proceeding to prepare advice, we will arrange a follow-up meeting, to confirm the finer details with you such as scope of advice and investment risk appetite.

We will prepare a Letter of Engagement and a recap of your circumstances to review as the last step, just to make sure we are all on the same page and transparent on the fees and services.



Research and Development (15 - 20 hours)

Our initial plan begins by evaluating possible alternative strategies to determine which is appropriate to your needs and financial goals. From there, we deep dive into the products and strategy mix, working towards your goals as our guiding post. And wrap it all together in a Statement of Advice that details all the ins and outs, benefits, implications, fees and steps involved.



Advice presentation (1 - 2 hours)

Together we go through the recommendations in detail, explaining each point of the benefits and the implications of the advice. We aim to provide you with information and educate you about the strategies and products recommended, so you not only know but understand the 'What' and 'Why'. Because at the end of the day, it is YOUR money and we are advising on what you should do with it.



Implementation (8 - 10 hours)

Once you are happy with our recommendations, we put it to work. We will pull together the paperwork and complete the implementation for you. There may be a few things for you to do but we will take care of the heavy lifting for you.

Preparation

2 Weeks

2 - 4 Weeks

4 Weeks