



SMS006 SMSF Trust Deeds



Subject outline

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Section 1 — General information

1.1 Administrative details

Duration	Credit points	Level
One study period (12 weeks)	6	AQF8

1.2 Core or elective subject

This is an elective subject for the Graduate Certificate in Self Managed Superannuation Funds.

1.3 Delivery mode

This subject is delivered online.

1.4 Prerequisites

There are no prerequisites for this subject. However please review the 'Assumed knowledge' section below to understand the prior knowledge Kaplan advises you should hold before enrolling in this subject.

1.5 Assumed knowledge

Whilst there are no prerequisites for this subject, Kaplan assumes that students have completed SMS001 SMSF Best Practice, SMS002 Understanding SMSF Trustees, and SMS003 SMSF Strategic Advice, prior to undertaking SMS006 SMSF Trust Deeds.



1.6 Course transition subject equivalence

Students may not be required to complete this subject if they have transitioned from a SIA/Finsia/Kaplan course and have completed the following subjects:

- there are no equivalences for this subject.

1.7 Work integrated learning

There are no placements, internships or work experience requirements associated with undertaking this subject.

1.8 Other resource requirements

Students do not require access to specialist facilities and/or equipment to undertake this subject.



Section 2 — Academic details

2.1 Subject overview

This subject focuses on the key objectives and elements of self managed superannuation fund (SMSF) trust deeds. It explores effective trust deed establishment, the best practice approach to trust deed creation and examines the situations that commonly trigger a need for trust deed review. The assessments include a quiz, short and long answer assignment questions, where students are given the opportunity to compare and contrast trust deeds to evaluate each for 'best fit', and develop a trust deed for a given complex situation.

2.2 Subject learning outcomes

On successful completion of this subject, students should be able to:

1. Critically analyse a trust deed for compliance, including all compulsory statutory provisions and those provisions that cannot or should not have been included.
2. Research and explain the common triggers for SMSF trust deed review and propose amendments to minimise compliance risk.
3. Compare and contrast a range of publicly available SMSF trust deeds to determine suitability for use.
4. Review SMSF trust deeds using best practice principles.

2.3 Topic learning outcomes

Topic 1 — Trust deed overview

On successful completion of this topic, students should be able to:

- recognise the types of clauses commonly found in an SMSF trust deed and the relevance of the clause to the ability of a trustee to exercise its powers
- understand the legislative requirements of SMSF trust deeds ('SMSF deeds'), including compulsory provisions and those that may or may not be included
- have an understanding of why and how an SMSF is governed by the terms of a trust deed.

Topic 2 — SMSF records

On successful completion of this topic, students should be able to:

- understand the record-keeping requirements imposed on the trustee of an SMSF
- relate the record-keeping obligations of the trustee of an SMSF to the terms of the relevant SMSF deed and the powers and obligations of the trustee under that SMSF deed
- consider how the decision-making process of the trustee should be managed and documented where there is no power in the trust deed to enable the trustee to make certain decisions
- identify where certain documentation may be required to facilitate valid decisions by the trustee of an SMSF, regardless of whether the power is included in the trust deed.



Topic 3 — Retirement benefit payments

On successful completion of this topic, students should be able to:

- understand the importance and sensitivity of clauses surrounding benefit payments
- understand the purpose and need for a SMSF deed to grant a trustee the power to pay benefits
- interpret SMSF deed benefit clauses in light of the requirements of the superannuation laws
- recognise the need for a SMSF deed to 'fall back' to the superannuation laws where necessary
- understand the process of paying a SMSF member benefit via a pension and documenting such process.

Topic 4 — Binding death benefit nomination and succession

On successful completion of this topic, students should be able to:

- understand the legislative requirements for BDBNs
- identify who is eligible to be nominated as a beneficiary/recipient under a BDBN
- determine whether a BDBN is suitable for your client's circumstances
- understand relevant considerations for preparing trust deed provisions relating to BDBNs
- understand the issues that should be considered in establishing control of the SMSF for succession purposes.

Topic 5 — Limited recourse borrowing arrangements (LRBA)

On successful completion of this topic, students should be able to:

- understand the SMSF deed provisions that relate to LRBAs
- understand what a single acquirable asset is and any related provisions of an SMSF deed to consider
- understand the difference between arm's length transactions under the superannuation laws and the taxation laws and the interface of the ability for the trustee to enter into transactions.

Topic 6 — Trustee company versus individual, and control within the trust deed

On successful completion of this topic, students should be able to:

- recognise a situation where the trustee of an SMSF may need to change
- relate the need to change the trustee to the provisions of the SMSF deed
- consider the appropriateness of the relevant provisions of the SMSF deed
- practically manage the process to ensure that the control of the SMSF or the trustee complies with the requirements of s 17A.

Topic 7 — Triggers for trust deed review

On successful completion of this topic, students should be able to:

- identify a trigger event at law or in the life of a member of an SMSF
- determine whether the occurrence of a trigger event requires the SMSF deed to be updated.

2.4 Assessment schedule

Assessment	Description	Week	Topics	Weighting	Subject learning outcomes assessed
Assignment 1	Short- and long-answer questions	Week 6	1–4	30%	LO1, LO2, LO4
Online Quiz	Multiple-choice questions	Week 6	1–4	10%	LO1
Assignment 2	Short- and long-answer questions	Week 12	1–7	60%	LO1–LO4

Please refer to our website <www.kaplanprofessional.edu.au> to review student policies relating to your assessment, including the *Kaplan Assessment Policy* and *Academic Integrity and Conduct Policy*.

2.5 Prescribed text

Leow, J, Murphy, S, & CCH Australia Ltd 2019, *Australian master superannuation guide 2019/20*, 23rd edn, CCH Australia, North Ryde.

Negline, T 2019, *The essential SMSF guide 2019–20*, Thomson Reuters, Sydney.

2.6 Study plan

Week(s)	Topic name	Study load in hours
1 & 2	Topic 1: Trust deed overview	20 hours
3	Topic 2: SMSF records	10 hours
4	Topic 3: Retirement benefit payments	10 hours
5	Topic 4: Binding death benefit nomination and succession	10 hours
6	Assignment 1 (Weighting: 30%) Online quiz (Weighting 10%)	10 hours
7	Topic 5: Limited recourse borrowing arrangements (LRBA)	10 hours
8	Topic 6: Trustee company versus individual, and control within the trust deed	10 hours
9	Topic 7: Triggers for trust deed review	10 hours
10	Topic 8: Review questions	10 hours
11	Work on assignment	10 hours
12	Assignment 2 (Weighting: 60%)	10 hours
Total minimum study load		120 hours

Additional study hours (if required), dependent on knowledge and personal commitments	20 hours
Total study load, including additional study hours	140 hours