

# Guild Commercial Finance and your Self Managed Super Fund

## Leveraged property investment

*Borrowing to purchase property within your fund provides a number of significant tax advantages. In addition, your fund's other assets are protected from creditors. This may be particularly advantageous to business owners.*

### Why do I need advice when considering a fund loan?

The Superannuation Industry Supervision (SIS) Act was amended in 2007 to allow super funds to borrow to invest in approved assets, including property. This enables your self managed super fund (SMSF) the opportunity to purchase real estate where there may be insufficient funds to purchase outright.

There are strict rules under the Act that determine property leveraged investment conditions. Your fund must comply with these rules to ensure tax concession eligibility and to avoid penalties.

For example, you can invest in most kinds of property, including residential and commercial, however, your fund can only purchase from a member or related entity for business purposes, and any residential property must be purchased from an arms length vendor.

### How Guild Financial Planning and Guild Commercial Finance can help

#### 1. Understanding the rules

There are a number of laws that govern SMSF leveraged property investment that you must be familiar with before committing to a loan. Although they appear complex, a Guild Financial Planner can assist you in understanding and abiding by these laws. Should you decide to exercise this option, we will co-ordinate the services of Guild Commercial Finance to structure an appropriate investment loan for your particular situation.

Guild Commercial Finance's recommendations are objective. Guild's finance specialists have an average of 20 years experience in commercial lending negotiations, giving you access to an extensive network of financial institutions to secure a financing solution that will suit the needs of your fund and its members.

#### 2. Acquisition of a self managed super leveraged property

Guild Financial Planning and Guild Commercial Finance will implement the following process:

- Establish or review your SMSF.
- Enlist the assistance of Guild Lawyers and conveyancers, or we can work with your existing legal advisers and service providers.
- Negotiate and secure finance for your SMSF, and
- Preparation and exchange of contracts, loan documents, and settlement.

### The Guild Group

A flexible solution that makes self managed super funds easy

Call Guild Commercial Finance on 1300 368 346 for further information

Guild Commercial Finance Pty Limited ABN 16 126 253 727. WA Finance Broker Licence No. 4283.

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Guild Legal trading as Guild Lawyers ABN 18 108 546 774

