

# Technical Newsletter

Edition 8 | September 2025



The SMSF Association Quarterly Technical Newsletter provides a snapshot of some of the key legislative and technical developments relevant to the provision of strategic advice to clients who have chosen to have an SMSF in which to hold their superannuation.

## 5 SEPTEMBER 2025

### *TBAR Lodgement reminder*

The ATO issued a reminder that Transfer Balance Account Reports (TBARs) for the [October quarter](#) are due by 28 October 2025.

Importantly, if no TBA event has occurred during the quarter, no TBAR lodgement is required.

## 4 SEPTEMBER 2025

### *NALE: LCR 2021/2 finalisation update*

The ATO provided a [revised timeframe](#) for the update to Law Companion Ruling [LCR 2021/2](#) Non-arm's length income – expenditure incurred under a non-arm's length arrangement.

The final version of this LCR is now due for completion September 2025.

## 3 SEPTEMBER 2025

### *ATO: Quarterly SMSF statistics*

The ATO's latest quarterly statistical release, [Self-managed super funds: quarterly statistical report June 2025](#), highlights the ongoing growth of the SMSF sector.

As of June 2025, the total number of SMSFs has surpassed 653,000, comprising over 1.2 million members.

The report also highlights the continued demographic trend toward a larger proportion of younger members engaging with their superannuation via an SMSF.

While most SMSF members are still aged 50 and above, individuals in the 35-44 age group made up 37% of new entries in the June quarter – while only representing 12% of the total SMSF membership.

Conversely, older age groups (i.e. 60 and above) are joining at much lower rates (less than 10% in the June 2025 quarter) compared to their overall presence in the SMSF membership (over 50% at June 2025).



## 27 AUGUST 2025

### *Australia Post SMSF Gateway Service*

Australia Post [announced](#) that they will be closing their Self-Managed Super Fund (SMSF) Gateway Service.

The final date to purchase a subscription to this service will be 29 November 2025, with new subscriptions only valid for one year. Subscribers will continue to have access to the service until their subscription expires.

To continue meeting the SuperStream data standards, impacted trustees should consider arranging an alternative messaging service prior to their subscription expiry date.

The ATO's [SMSF messaging providers register](#) lists messaging service providers who can provide an electronic service address (ESA) for contributions, rollovers and release authorities and can be used to identify to find alternative providers.

## 20 AUGUST 2025

### **ATO Reminder: SAR Lodgement**

The ATO [reminded fund trustees](#) that if their SMSF had assets, e.g. cash or other investments, at any time during the 2024-25 financial year, they must lodge a SMSF annual return (SAR) for the 2024-25 financial year.

Further, for new SMSFs, where the trustee(s) are preparing the SAR themselves, the due date for their SAR is 31 October 2025.

This is also the due date for fund trustee who have previously lodged a SAR late.

Importantly, fund trustees must also appoint an SMSF auditor no later than 45 days before they need to lodge their SAR. As such, for fund trustees with a 31 October due date, time is running out.

## 13 AUGUST 2025

### **ATO Reminder: SBSCH Closure**

As part of the government's Payday Super reform, the Small Business Superannuation Clearing House (SBSCH) will officially close on 1 July 2026.

The ATO [issued a reminder](#) that, to support a smooth transition, new user registrations will no longer be accepted from 1 October 2025. However, existing users can continue to access the service and make payments until 30 June 2026.

All current SBSCH users should start planning their transition to an alternative superannuation payment solution. This may include:

- Reviewing current payroll or accounting software, which may already include superannuation functions
- Exploring options available through super funds, commercial clearing houses, or other payroll service providers.

## 12 AUGUST 2025

### **ASIC: Auditor actions taken**

ASIC published an [update on actions taken](#) against SMSF auditors during 2024-25.

This update confirms that during the second half of 2024-25, ASIC took action against the registration of 28 approved SMSF auditors – bringing ASIC's total actions against approved SMSF auditors to 48 for the year.

These actions were taken for various breaches of professional obligations, such as:

- failing to maintain independence,
- non-compliance with auditing and assurance standards,
- non-compliance with continuing professional development requirements,
- failure to lodge annual statements, and/or
- for not being a fit and proper person to remain an approved SMSF auditor.



## 11 AUGUST 2025

### **Audit: ATO Guidance – Verification of ownership and asset separation**

The ATO published guidance for SMSF auditors (QC [105370](#)), which outlines the types of evidence auditors can use to verify asset ownership and separation of fund assets.

The guidance contains practical examples and outlines the acceptable forms of evidence to support compliance with both asset ownership and separation requirements – as well as providing guidance on an auditor's reporting requirements.

8 AUGUST 2025

### ***ATO Corporate Plan 2025-26: SMSFs***

The ATO released its [Corporate plan 2025–26](#).

Deputy Commissioner Emma Rosenzweig, outlined [what it means for SMSFs](#) – with the key areas of focus being:

- Outstanding SMSF annual returns
- Release authority compliance
- Commutation authority compliance
- Illegal early access, and
- Fraud prevention.

4 AUGUST 2025

### ***Disqualified trustee register updated***

The ATO updated the [Trustee Disqualification register](#), to include all disqualifications processed by the ATO to 30 June 2025.

Based on the register entries, there were 520 trustee disqualifications in the 2024-25 year. This figure is down from the 654 disqualifications recorded for the 2023-24 year.

**Note:** For the most up-to-date information on individuals disqualified by the Commissioner, please refer to the [Federal Register of Legislation](#). According to this register, for example, the Commissioner has already disqualified more than 100 additional individuals since 1 July 2025.



24 JULY 2025

### ***AML/CTF Reforms: Will you need to comply?***

With less than 12 months until the commencement of the reformed Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF) obligations, professional services providers (including accountants) must prepare for significant regulatory changes.

From 1 July 2026, those who provide a designated service must enrol with AUSTRAC as a reporting entity and comply with the relevant AML/CTF obligations. These services will include many common services such as setting up trusts, including SMSFs, handling client payments, and facilitating debt or asset financing.

Watch this SMSF Association [‘In Practice’ webinar recording](#) to understand what the changes mean for you and the practical steps you and your business can take now to prepare and be ready for the new regime.

AUSTRAC has also published several key resources:

- A [‘Check if you’ll be regulated’](#) tool to help you assess whether your services fall within the scope of the new regulations.
- An [AML/CTF Obligations Fact Sheet for Tranche 2 Reporting Entities](#), outlining enrolment requirements, risk assessments, and AML/CTF program development.
- A [four-part webinar series – AML/CTF Essentials](#), designed to introduce new reporting entities to the fundamentals of AML/CTF compliance.

18 JULY 2025

### ***Auditor compliance program results for 2024-25***

The ATO published the findings of its [2024-25 Auditor Compliance program](#) – having completed more than 200 SMSF auditor reviews in 2024–25.

As a result of these reviews, the ATO referred 41 auditors to ASIC, while 36 auditors voluntarily cancelled their registration.

According to the ATO, most auditors reviewed did not obtain sufficient and appropriate audit evidence to form an opinion on the fund’s financial statements and compliance with the super laws.

The most common compliance issues identified by the ATO from these auditor reviews were a lack of evidence to support that:

- fund transactions were at arm's length (section 109)
- fund assets were correctly reported at market value (regulation 8.02B)
- there were no charges over fund assets (regulation 13.14)
- the fund's limited recourse borrowing arrangement had met the borrowing exceptions (section 67, 67A).

The ATO also found that many auditor's files contained unsigned financial statements (section 35B).

## 7 JULY 2025

### **ART case: Auditor disqualification (David Sidhu)**

The Administrative Review Tribunal (ART), in [Sidhu and Australian Securities and Investments Commission \[2025\] ARTA 994](#), affirmed ASIC's earlier decision to disqualify David Sidhu as an approved SMSF auditor.

Broadly, Mr Sidhu was found to have failed to perform his duties adequately and properly across audits of three SMSFs.

A common theme throughout the ART's decision was the Tribunal's finding that there "was a failure to obtain sufficient, appropriate audit evidence" on Mr Sidhu's part.

**Note:** The ASIC website states that Mr Sidhu has sought to appeal the ART decision with the Federal Court of Australia.

## 25 JUNE 2025

### **ATO: PCG 2016/5 – Safe harbour interest rates**

The [applicable interest rates](#) for SMSF trustees with a related party LRBA (whereby the trustee(s) are relying on [PCG 2016/5](#) to establish that the loan is on commercial terms, were updated as follows.

For the 2025/26 financial year:

- Loans to acquire real property: 8.95%
- Loans to acquire listed shares or units: 10.95%

## 20 JUNE 2025

### **ATO: Guidance on legacy pension commutations and reserve allocations**

The ATO published web-based guidance on the legacy pension commutation rules and reserve allocation changes that apply from 7 December 2024.

This guidance outlines which legacy pension products can be commuted and some of the potential consequences, as well as how reserve allocations will be treated for contribution cap purposes both before and after the law change.

- [Relaxed commutation rules for legacy retirement products](#)
- [Changes to reserve allocations](#)

**Note:** The disallowance period for the Social Security Debt waiver instrument, allowing Centrelink debts to be waived where a retiree fully commutes a legacy asset-test exempt pension under the amnesty rules, or where the mere ability to commute, results in the pension losing its asset-test exempt status, has now ended. As a result, any debts can now be waived, regardless whether they were raised before or after commencement, if they fall within the specified classes.

## 19 JUNE 2025

### **AFCA: SMSFs as wholesale investors**

In an AFCA "Latest News" article by Shail Singh, Lead Ombudsman, and Patrick Hartney, Senior Ombudsman, Investments and Advice, titled [When can SMSFs be treated as wholesale? What financial advisers need to know](#), AFCA outlined its view that under the law, if an adviser provides advice to a trustee in relation to an SMSF, the fund must be treated as a retail client unless the SMSF has \$10 million or more in assets.

Previously, in AFCA Determination [12-00-923475/12-00-108719](#), AFCA had found that the financial firms' failure to correctly assess the SMSF as a retail client was a cause of the SMSF's loss. That is, the authorised representatives of the financial firms in question provided services only available to wholesale clients to the SMSF – in circumstances where the SMSF was a retail client.

Given the ongoing level of uncertainty, and recent AFCA decisions on the interpretation and application of these provisions to SMSFs, legislative amendments are needed to provide certainty and clarity on the operation of these provisions for SMSFs.

18 JUNE 2025

### ***ATO update: 6 months as soon as practicable***

The ATO updated its web content relating to the payment of death benefits.

While the term “as soon as practicable” is not defined, the ATO had previously provided guidance in this regard – outlining that “as soon as practicable” was broadly taken to mean within six months of a member’s death (subject to circumstances beyond the trustee’s control).

With the release of [QC 45254](#), which replaced QC 42934, the ATO has now removed this specific reference to a six-month period from its guidance.

While not altering the requirement for death benefits to be paid as soon as practicable, the removal of this arbitrary timeframe from the ATO’s guidance is welcomed relief, offering additional flexibility to trustees and auditors alike.

6 JUNE 2025

### ***Audit: Trustee declarations***

The ATO issued a reminder to [SMSF auditors](#), as well as separately issuing a [trustee reminder](#), that in addition to the need to complete a trustee declaration within 21 days of commencing their role as a trustee (or director of a corporate trustee) record keeping requirements also apply.

Fund trustee(s) must keep their completed trustee declaration while they remain a trustee or for 10 years (whichever period is longer).

Further, as part of the annual compliance audit, SMSF auditors must confirm that trustees have properly signed and stored their trustee declarations.

For auditors, the ATO [guidance](#) states that an auditor needs to:

- sight a signed trustee declaration for each person that was required to sign one and retain a copy of these on the audit file, and
- seek written representations from trustees that the trustee declarations are kept in line with record keeping requirements.

4 JUNE 2025

### ***Federal Court: Bankruptcy of SMSF Trustee***

In the Federal Court case of [Orel, in the matter of an application by Orel \[2025\] FCA 590](#) despite being an undischarged bankrupt, the court made an order that Mr Orel not be a disqualified person for the purposes of the SIS Act and would be permitted to continue managing the corporate trustee of his SMSF for the benefit of himself and his wife.

Previously, Mr Orel had been the sole director of Oracle Building Corporation Pty Ltd, which operated a residential construction business until it was placed into liquidation.

However, in January 2024 Mr Orel became bankrupt, and as a consequence of his bankruptcy, automatically became a “disqualified person” for the purposes of the SIS Act.

The company that acted as the trustee of Mr and Mrs Orel’s SMSF had only acted in that capacity and had not undertaken any other activity. Mr and Mrs Orel were the only directors and shareholders, however, since Mr Orel’s disqualification, Mrs Orel had been the sole director of the Company and had conducted its affairs.

Mr and Mrs Orel were (and had always been) the only members of the SMSF.

In this case, the court granted the application, having regard to:

- The bankrupt’s character and good conduct since his disqualification.
- The nature, purpose and size of the fund.
- The unlikelihood that there would be any further contraventions by the applicant if he were to manage the Company.

29 MAY 2025

### ***2025 SMSF Annual Return (SAR) and instructions***

The ATO released the updated [2025 SMSF annual return \(SAR\)](#), and instructions, for the 2024-25 financial year.

27 MAY 2025

### **ATO: Crypto investments**

In response to a growing number of SMSFs investing in crypto assets, and having seen instances of SMSF trustees losing their crypto investments due to theft, lost passwords, and impersonation schemes, the ATO issued some tips to SMSF trustees investing in crypto assets.

12 MAY 2025

### **ART Case: Omibiyi and illegal early access**

The decision in Administrative Review Tribunal (ART) case, Omibiyi and Commissioner of Taxation (Taxation and business) ARTA (2025), underscores the serious consequences of breaching superannuation regulations.

The ART upheld the ATO Commissioner's decision to disqualify Oladokun Omibiyi from acting as a trustee or responsible officer of a superannuation entity.

Oladokun Omibiyi, the director of the SMSF's corporate trustee, was disqualified under section 126A(2) of the SIS Act after making 117 unauthorised withdrawals over six years, which he described as loans to be repaid with interest, totalling more than \$121,000.

The contraventions were considered serious and repeated despite advice that he was breaching the law. Weight was also given to the fact that they occurred over an extended period of time (years) – and the ART did not consider the contraventions were due to a misunderstanding of the law or situation.



APRIL / MAY 2025

### **Financial Services Credit Panel (FSCP) Decisions**

Several decisions were published by the Financial Services Credit Panel (FSCP), which is the disciplinary panel for financial advisers that sits alongside ASIC.

These decisions highlight the consequences for advisers who failed to meet the mandated 40 hours of CPD during the year.

- Mr Q – Adviser tardy in rectifying outstanding CPD hours → Reprimand issued (May 2025)
- Mr X – Adviser rectified CPD shortfall within a reasonable period → Reprimand issued (May 2025)
- Mr I – Failed to meet CPD due to extenuating circumstances but promptly rectified → No action taken (April 2025)

The Panel noted that reprimands were appropriate to reinforce the importance of CPD in upholding professional standards and maintaining public trust and confidence.

17 APRIL 2025

### **LRBA and Offset accounts**

The ATO updated its guidance on limited recourse borrowing arrangements (LRBA), with respect to the operation and inclusion of offset accounts.

A deposit facility offered by an Authorised Deposit-taking Institution (ADI) that is an offset account notionally reduces the loan balance of a mortgage, resulting in a reduction of interest calculated against the loan. Genuine offset accounts offered by an ADI are allowed as it's not considered a borrowing or charge over the fund's assets.

The ATO's position toward offset accounts included in borrowing arrangements facilitated by non-ADI institutions was not as definitive.

Offset accounts offered by non-ADI lenders are not considered bank deposits. Therefore, due diligence should be taken when considering this type of arrangement.

Until such time as greater clarity is provided by the ATO, members are encouraged to seek evidence from non-ADI lenders, such as an ATO Product Ruling or legal opinion, that demonstrates the offset account complies with the SIS Act.



## PREVIOUS SMSF ASSOCIATION TECHNICAL PUBLICATIONS

### SMSF Association Technical publications issued since the last Technical Newsletter:

Issue date	Type	Link
25 August 2025	Division 296 FAQs	<a href="#">Click here.</a>
17 June 2025	Best Practice Guide	<a href="#">Click here.</a>
4 June 2025	Technically Speaking: The chronicles of NALE: The current state of play	<a href="#">Click here.</a>
15 May 2025	Technically Speaking: End of financial year Essentials 2025: Contributions	<a href="#">Click here.</a>
30 April 2025	2025/26 Super Reference Guide	<a href="#">Click here.</a>

## IN PRACTICE WEBINAR SERIES

**Did you miss one of our recent SMSF Association *In Practice* Webinars? Catch up and watch on demand.**

Recording date	Topic	Link
16 September 2025	Beyond Home Turf: Positioning Across US, AI, Commodities and Australia	<a href="#">Click here.</a>
19 August 2025	AI in Practice: How Fintech, Complitech and Regtech Tools Are Creating Real Compliance Risks for SMSFs	<a href="#">Click here.</a>
15 July 2025	Unqualified Crypto Audits: Navigating Risk and Compliance in the Digital Asset Age	<a href="#">Click here.</a>
19 June 2025	AML/CTF Tranche 2 - What it means for accountants and advisers in practice	<a href="#">Click here.</a>

**The contents of this Technical Newsletter are taken to be correct at the time of publication on 17 September 2025.**

Disclaimer: Technical Papers contain general advice only and are prepared without taking into account particular objectives, financial circumstances and needs. The information provided is not a substitute for legal, tax and financial product advice. Before making any decision based on this information, you should assess its relevance to the individual circumstances of your client. While the SMSF Association believes that the information provided is accurate, no warranty is given as to its accuracy and persons who rely on this information do so at their own risk. The information provided in this bulletin is not considered financial product advice for the purposes of the Corporations Act 2001. © SMSF Association