



# Limited Recourse Borrowing Arrangement Instruction

## Commercial Lender

I confirm that I have instructed SuperGuardian Pty Ltd ACN 113 986 968 AFSL 485643 (**SuperGuardian**) to assist in establishing a Limited Recourse Borrowing Arrangement (**LRBA**) for the superannuation fund detailed below, with the lender being an unrelated party of the superannuation fund.

By signing this form, I acknowledge and accept SuperGuardian's Bare Trust for Commercial Loan fee and Corporate Trustee fee (if applicable).

The details of the arrangement are as follows:

### Fund details

Superannuation Fund Name: \_\_\_\_\_

Australian Business Number: \_\_\_\_\_

Director Identification Number *(If you do not have one yet, please make sure you apply for your Director ID through the [Australian Business Registry Services](#))*: \_\_\_\_\_

### Bare Trust and Trustee details

Name of Bare Trust: \_\_\_\_\_

Do you have an existing Company to act as trustee for the Bare Trust? ☐ YES ☐ NO

If yes, Company name: \_\_\_\_\_

A.C.N: \_\_\_\_\_

Registered Address: \_\_\_\_\_

If no, would you like SuperGuardian to arrange establishment? ☐ YES ☐ NO

If yes, please provide 3 options for the proposed Company name:

Option 1: \_\_\_\_\_

Option 2: \_\_\_\_\_

Option 3: \_\_\_\_\_

Would you like us to prepare the annual Company Review?

☐ YES

☐ NO

### Asset and borrowing details

Asset to be Acquired: \_\_\_\_\_

Borrowing Amount: \_\_\_\_\_

Lender Details: \_\_\_\_\_

Interest Rate and Term of Loan: \_\_\_\_\_

### Financial Advice

Has the member obtained financial advice regarding this decision? (We strongly recommend you seek advice).

☐ **Yes**, and I will provide a copy of the statement of advice. I confirm that I have received a statement of advice from a licensed financial planner within the last 6 months which, among other things, recommends that I set up a limited recourse borrowing arrangement. I have based my decision to set up the limited recourse borrowing arrangement on the advice I received from the financial planner, and for this reason, I do not require advice from SuperGuardian.

**OR**

☐ **No**, even though SuperGuardian strongly recommended that I obtain advice from a licensed financial planner, I do not wish to obtain advice on whether setting up a limited recourse borrowing arrangement (specified above) is appropriate for me. I have already made a decision to set up a limited recourse borrowing arrangement.

### Disclaimer

I understand that by facilitating the establishment of the limited recourse borrowing arrangement, SuperGuardian is merely giving effect to my instructions and not giving any recommendation or statement of opinion that establishing the limited recourse borrowing arrangement is appropriate for me.

I understand that by instructing the establishment of an LRBA with a commercial lender, the following key risks and considerations may apply:

1. The LRBA must comply with the requirements of the Superannuation Industry (Supervision) Act 1993 and all other relevant superannuation and taxation laws.
2. The SMSF must have sufficient liquidity to meet loan repayments and other SMSF obligations without breaching superannuation laws.
3. The establishment and operation of an LRBA may have tax consequences, including the deductibility of interest expenses and the treatment of capital gains upon the sale of the asset.

4. The value of the asset acquired under the LRBA may fluctuate, and a decline in value could adversely impact the financial position of the SMSF.
5. I acknowledge that I am solely responsible for determining that the borrowing arrangement is reasonable, appropriate, and consistent with the investment strategy of the SMSF and its overall compliance with superannuation law.
6. I acknowledge that SuperGuardian's responsibility is limited to instructing a third-party service provider to prepare the legal documents necessary to establish the LRBA arrangement in accordance with the instructions. SuperGuardian is not the provider of these documents and does not provide any assurance with respect to those.
7. I acknowledge that I am informed of these risks and considerations and that SuperGuardian is only implementing my instructions based on this document without providing any advice or recommendations.

### Member Authority

Signed by the **instructing member**.

Member: \_\_\_\_\_

Signed: \_\_\_\_\_ Date:

**OR**

### Adviser Authority

Authorised Adviser has provided a Statement of Advice to the fund and signed Authority to Proceed.

Adviser: \_\_\_\_\_

Signed: \_\_\_\_\_ Date: