

SMSF BORROWING — RELATED PARTY LOAN TERM ALTERATION

Firm ordering (if applicable):

Person ordering:

Street address:

Postal address (if different):

Phone:

Email:

Tick here ☐ if we are to invoice the SMSF trustee (otherwise, our invoice will be made out to you). Unless the SMSF trustee completes our costs document (see page 3), we will ultimately look to you for payment.

Documents will be delivered by email as PDF files

Tick here ☐ for hardcopy delivery (fee applies)

TIME SAVING TIP

If DBA Lawyers drafted the existing limited recourse borrowing arrangement ('LRBA'), enter the code on the front of our covering letter: _ _ _ _ : _ _ _ _ _ and then go straight to heading 'Terms of the loan to change'.

PROVIDE COPY OF DOCUMENTS (only relevant if DBA Lawyers did not draft the original)

If DBA Lawyers did not draft the original LRBA please provide a copy of:

- the SMSF's latest trust deed
- the loan agreement
- the bare/holding trust deed and
- any other relevant documentation.

NAME OF FUND (borrower)

Name of SMSF:

SMSF COMPANY TRUSTEE

Company name:

ACN:

Registered office:

Full names of all directors

T1

T2

T3

T4

OR, SMSF INDIVIDUAL TRUSTEES

T1

Full name:

Street address:

T2

Full name:

Street address:

By completing this order form, you confirm that you have read the notes on page 3.

T3	Full name:
	Street address:
T4	Full name:
	Street address:

COMPANY BARE TRUSTEE			
Company name:			
ACN:			
Registered office:			
Full names of all directors			
BT1	T1? <input type="checkbox"/>	BT2	T2? <input type="checkbox"/>
BT3	T3? <input type="checkbox"/>	BT4	T4? <input type="checkbox"/>

OR, INDIVIDUAL BARE TRUSTEES			
Note that individual bare trustees are <u>not</u> recommended.			
BT1	Full name: T1? <input type="checkbox"/>		
	Street address:		
BT2	Full name: T2? <input type="checkbox"/>		
	Street address:		

DETAILS OF LENDER	
trustee of a related trust <input type="checkbox"/> related company <input type="checkbox"/> SMSF member(s) <input type="checkbox"/> other natural person(s) <input type="checkbox"/>	name of trust: _____

COMPANY DETAILS			
Company name:			
ACN:			
Registered office:			
Full names of all directors			
LT1	T1? <input type="checkbox"/>	LT2	T2? <input type="checkbox"/>
LT3	T3? <input type="checkbox"/>	LT4	T4? <input type="checkbox"/>
OR, INDIVIDUAL(S) (if applicable)			
LT1	Full name: T1? <input type="checkbox"/>		
	Street address:		
LT2	Full name: T2? <input type="checkbox"/>		
	Street address:		

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SPECIAL INSTRUCTIONS

TERMS OF THE LOAN TO CHANGE	
Which terms are to change and what will be the new terms?	
Alter this term?	What the new term is to be (don't complete if the term is to remain the same)
<input type="checkbox"/>	Type of loan: principal and interest <input type="checkbox"/> interest only <input type="checkbox"/>
<input type="checkbox"/>	Interest rate is: fixed <input type="checkbox"/> variable <input type="checkbox"/>
<input type="checkbox"/>	Interest rate*: _____ % per annum
<input type="checkbox"/>	Penalty interest rate (eg, normal interest rate + 2%): _____
<input type="checkbox"/>	Term (eg, 7 years): _____
<input type="checkbox"/>	Repayments: monthly <input type="checkbox"/> quarterly <input type="checkbox"/> other: _____
<input type="checkbox"/>	When should changes take effect? prospectively (when alteration documents are signed)? <input type="checkbox"/> retrospectively (upon commencement of loan) <input type="checkbox"/>
<input type="checkbox"/>	Other: _____ (please specify)
* The interest rate must be certain and capable of being worked out by a third party. For example, it could be expressed as a percentage (eg, x %) or as a benchmark that is readily understood (eg, RBA cash target rate + x %).	

RISKS
In PCG2016/5 and TD2016/16 the ATO confirmed that related party loans on non-commercial terms would give rise to non-arm's length income being taxed at the highest personal tax rate. You can change the terms of the related party loan to reflect arm's length terms and reduce this risk moving forward.

WHAT'S IN THE PACKAGE?
The package includes a detailed covering letter, resolutions, deed of variation of loan agreement and a detailed memo. Please note that mortgage, charge or security documents are not included in the package and will need to be ordered separately through your preferred provider or please let us know if you need a referral.

FEES & TERMS OF ENGAGEMENT
<p>DOCUMENTS ONLY</p> <p>Where DBA Lawyers drafted the original loan \$1,200</p> <p>DBA Lawyers did not draft the original loan \$1,600</p> <p>ADVICE</p> <p>As a law firm DBA Lawyers is not licensed to provide financial product advice under <i>the Corporations Act 2001</i> (Cth). DBA Lawyers is only engaged when you provide DBA Lawyers a copy of this form. The terms of our engagement are set out here www.dbalawyers.com.au/costs_document.pdf. By completing this form, you are instructing DBA Lawyers to provide documentation to implement your above instructions and not to provide advice. LRBAs are sophisticated arrangements, which can give rise to various issues, such as SIS compliance issues, income tax (including CGT and division 7A), stamp duty, GST and much more. If instructed in writing, DBA Lawyers would be pleased to provide advice. As noted above, DBA Lawyers does not prepare mortgage, charge or security documents and does not attend to conveyancing or registration of any mortgage, charge, or security over assets.</p>

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