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## Using your superannuation benefits to acquire property – ask us how

A Self Managed Superannuation Fund (SMSF) is an effective way for you to maintain control of your investments whilst continuing to accumulate your wealth in a superannuation environment.

SMSFs can invest in a range of different asset classes with one of the more popular options being real estate.

However, as there are limitations placed on SMSFs in relation to borrowing to acquire assets, many people think that acquiring real estate in their SMSF is out of reach. This is not the case!

A SMSF can invest in real estate directly or indirectly.

Some of the options available to a SMSF when investing in real estate are:

- Acquisition directly using available cash in the fund
- Acquisition as tenants in common with another party
- Acquisition indirectly via a fixed trust structure
- Acquisition via an approved borrowing arrangement (limited recourse borrowing).

A SMSF can acquire all types of real estate including residential, commercial and retail properties, however, there are limitations placed on the type of real estate a SMSF can acquire from a related party.

If you are interested in exploring the various options available to invest in real estate within the superannuation environment, please contact Kylie McClure on (03) 52446 820 or at [kmclure@davidsons.com.au](mailto:kmclure@davidsons.com.au).



### Background

Kylie joined Davidsons in September 2005 wanting to relocate back to Geelong after spending the previous five years working in Melbourne in the area of taxation and superannuation compliance.

### Current Role

Kylie manages the compliance arm of the Superannuation Division and is involved in ensuring the efficient and accurate preparation of financial statements and taxation returns by her team members for the superannuation clients of the firm. In addition to this role, Kylie provides consulting services on a range of superannuation and retirement issues facing our clients.

### What do you most enjoy about what you do?

"I enjoy the challenges and opportunities available in the ever changing environment of superannuation and delivering a quality service to our clients."

### After 5.00 PM

"I enjoy spending time with family and friends and taking some quiet time to get into a good book."

### Name:

Kylie McClure

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Area of specialty: **Superannuation and Consulting**

## TEAM PROFILE TAX CONSULTING TEAM

In the business environment, with an ever increasing need for taxation compliance and administration, the Tax Consulting Team can remove the burden of taxation related issues and get you back concentrating on operating your business.

Our specialised taxation advice is built on the corner stones of responsible tax minimisation and asset protection for sustained wealth creation.

Our services are focused on the creation, protection and transition of our client's financial wellbeing through proactive tax planning and structuring whilst ensuring compliance with taxation obligations and administration.

If you would like information in relation to the services the Tax Consulting Team provides, please contact Kylie McEwan at [kyliem@davidsons.com.au](mailto:kyliem@davidsons.com.au) or Steven Skoglund at [stevens@davidsons.com.au](mailto:stevens@davidsons.com.au).

### Other Services provided by Davidsons include:

Business Services

Audit and Assurance Services

Superannuation Services

Financial Services

For more information in relation to these services, please go to our website at [www.davidsons.com.au](http://www.davidsons.com.au)

## Are you a Share Trader or an Investor?

The question of whether you are a *Share Trader* or an *Investor* is a necessary one from a taxation perspective if you are realizing large profits or losses on the sale of shares.

A share trader will be taxed on all profits as income and generally, will have the ability to offset losses made from share trading against other income.

An investor on the other hand will realize gains and losses on account of capital. This means that any losses incurred can only be offset against capital gains but on the upside, any gains can be reduced by the general 50% discount if applicable.

The issue of determining whether you are an investor or share trader becomes particularly important if you are changing from one role to another over financial years. This is due to the fact that in changing from an investor to a share trader for instance, inconsistencies will arise with the treatment and disclosure of any gains and losses you realize.

Activities that indicate you are more likely to be an investor and not a share trader include:

- Holding shares for long periods of time and collecting dividends from these shares or participating in dividend reinvestment plans;
- Allowing share prices to rise or fall substantially without trying to maximize gains or minimise losses.
- Devoting minimal time to share trading activities and not being able to show a pattern of regular trading activities;
- Not operating to a plan, setting budgets and targets or buying and selling to take advantage of rising markets with a clear profit motive;

Given the past volatility we have experienced in our share market many taxpayers will have realised gains and/or losses and are now grappling with how these gains and losses will be taxed.

If this is you and you would like to discuss your thoughts or concerns, we can help.

Please contact Kylie McEwan on (03) 52446835 or at [kyliem@davidsons.com.au](mailto:kyliem@davidsons.com.au) for more information.



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