**Collectables and personal-use assets rules are changing. Are you ready?**

With the end of the financial year fast approaching have you taken action to ensure that any collectables or personal-use assets your SMSF acquired before 1 July 2011 now meet the new rules?

Collectables and personal-use assets include assets such as artwork, jewellery, antiques, vehicles, boats and wine.

If your SMSF acquired any of these assets before 1 July 2011 you have until 1 July 2016 to meet the new rules, which include:

* the asset is not being leased to or used by a related party
* the asset is not being stored or displayed in a private residence of a related party (i.e. a member of the fund or their relative)
* all decisions about their storage must be documented and kept
* the asset is insured in the fund’s name within seven days of its acquisition
* having a qualified independent valuation if they are transferred to a related party.

If you don’t meet the new rules, you will be in breach of the regulations and you may face penalties.

If you are considering transferring these items before 1 July 2016 then they can be transferred to a related party without a qualified independent valuation, **but** the transaction must be made on arm’s-length terms. This means that the related party must pay a commercial value for the asset.

All transfers to related parties that occur on or after 1 July 2016 must be supported by an independent valuation.