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RETURN NOT NECESSARY

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WHAT DOES RETURN NOT NECESSARY MEAN?

An SMSF is not legally established until the fund has assets set aside for the benefit of members.

The system will not process returns with zero assets.

The supervisory levy does not need to be paid for newly registered SMSFs that registered in the financial year and:

- were not legally established
- had no assets set aside for the benefit of members.

In such cases, SMSF need to lodge a *Return not necessary (RNN)* form, also known as a non-lodgement advice, for an SMSF.

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WHAT STEPS NEED TO BE TAKEN BY SMSF IF THERE ARE NO ASSETS DURING THE FIRST YEAR?

If the SMSF does not have assets set aside for the benefit of members in the first year it was registered, either of the below can be followed:

- cancel the fund's registration
- flag the SMSF's record as 'return not necessary' if it meets the following conditions and confirms in writing that
    - *although registered, it had no assets and did not receive contributions or rollovers in the first financial year*
    - it has provided documentary evidence of the date the SMSF first held assets and commenced operating, for example the SMSF's first bank statement
    - *it will be lodging future returns.*

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CONDITIONS TO GRANT RNN BY ATO:

- Considering RNN requests if the SMSF confirms and provides supporting evidence that it meets all the eligibility conditions.
- The written request should include the SMSF's name, TFN, ABN and documentary evidence of the date assets were first placed into the fund.
- Using Practice mail in Online services for agents, select **Superannuation** as the topic, and choose from the following mail subjects:
    - ***SMSF new registrant – Return Not Necessary request***

*** SMSF cancellation of registration where the fund has not been legally established**

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WHAT SHOULD A SMSF ACTION WHEN RNN IS NOT GRANTED?

All funds that have not yet set aside assets for the benefit of members should cancel their registration and re-register when assets are available

When an SMSF that has previously advised that an annual return was not necessary is legally established and needs to lodge an annual return for the first time, the due date of the first return lodged by a tax agent will be the new registrant due date, which is currently 28 February.

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THANK YOU

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