Small APRA Fund ('SAF')

What is a SAF?

A SAF is structured in much the same way as that of a Self-Managed Super Fund ('SMSF'), however, unlike an SMSF, a SAF is governed by the Australian Prudential Regulation Authority ('APRA') opposed to the Australian Taxation Office ('ATO').

A SAF provides its members the ability to reap the benefits and legislative advantages that an SMSF has to offer, alongside relieving its members of the risks and responsibilities associated with being a trustee. The trustee takes on the full responsibility of managing and running the fund, which includes risk management, legislative and administration responsibilities.

Why should you choose a SAF?

- A SAF is a great alternative to traditional superannuation vehicles, as it allows for greater control over your investments, but without the added burden and pressure of trustee responsibilities.
- Highly beneficial for ageing members who no longer have the capacity to make important financial decisions, and as such, are able to hand over responsibility of running the fund to a licensed trustee.
- Allows families to provide an income stream for a relative with an intellectual disability.
- Disqualified individuals (such as an individual who is determined to be bankrupt) are permitted to be members of a SAF.
- A SAF provides for reliable and easily accessible estate planning as members can rely on the trustee to carry out and pay their death benefits according to their instructions. This is significant to members who have a blended family.
- SMSFs may face potential residency issues, if the trustees (being the member themselves) are located offshore. A SAF allows for its members to reside offshore, whilst still meeting the benchmark regulations set forth by APRA as the trustee is a company incorporated in Australia. This means the SAF will still be eligible for the tax concessions provided within the superannuation environment.
- A distinct advantage of moving from an SMSF to a SAF is that it generally does not trigger a Capital Gains Tax ('CGT') event. Members wishing to move out of their SMSF into another superannuation vehicle often feel trapped, due to the tax consequences of moving funds. Transferring from an SMSF to a SAF generally poses no risk of a CGT event.
- Moving from an SMSF to a SAF enables members to retain certain investments (such as certain direct shares or property), which cannot be done if the member wishes to move to a retail or industry fund.

About Sargon

Sargon provides financial institutions and entrepreneurs with the technology and infrastructure they need to successfully build and grow investment funds.

Operating across Australia, New Zealand and Hong Kong, Sargon's powerful combination of modern technology, financial licences and industry experts navigate regulatory complexity, security and compliance so our clients can focus on what matters most: building a better future.

Sargon is the only independent platform with retirement savings licensing infrastructure across Australia, New Zealand and Hong Kong. In Australia, we're one of only two trustees that has issued new superannuation funds in the last six years.

Sargon has assembled a team of experts in financial services and technology committed to building a better financial future together. We have re-imagined how funds and financial products can be operated in a dynamic, highly regulated environment, so our clients can focus on what matters most – their customers and growth. Sargon's enterprise-wide governance, risk and compliance framework ensures members' best interests are our first priority as we exercise our statutory and fiduciary duties.