

Criteria to determine related versus non-related trust

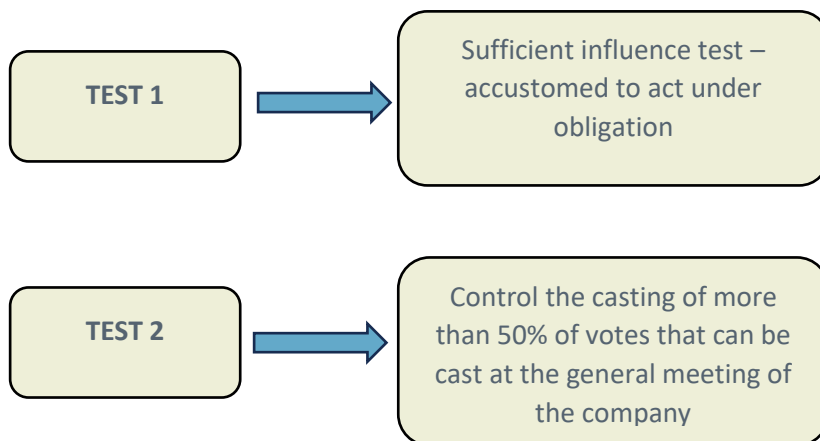
Identifying related trusts within SMSFs involves specific criteria focusing on control and influence. If the related parties meet any of the following tests, the investment is categorised as a related trust.

Summary of Criteria to determine related trust and non-related trust

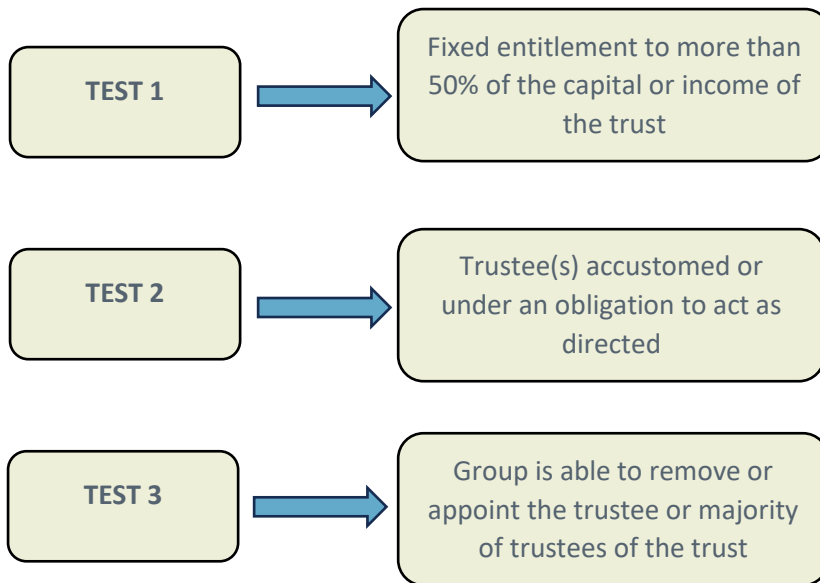
	Related trust	Non-related trust
<i>50% of units</i> S.70E (2)(a) of SISA	If a group (member or member' related parties) hold > 50% of total units/shares; OR	If a group (member or member' related parties) hold <=50% of total units/shares; AND
<i>Sufficient influence</i> S.70E (2)(b) of SISA Sufficient influence is defined in S.70E(1)	If a group (member or member' related parties) has sufficient influence; OR	If a group (member or member' related parties) does NOT have sufficient influence; AND
<i>The power to remove/appoint the trustee.</i> S.70E (2)(b) of SISA	If a group (member or member' related parties) has the power to remove/appoint the trustee	If a group (member or member' related parties) does NOT have the power to remove/appoint the trustee.

Related trust – Meaning of CONTROL ([S.70E of SISA](#))

a. Sufficient influence/majority voting interest



b. Control of trust



c. Group

According to the [section 70E\(3\)](#) of the Superannuation Industry (Supervision) Act 1993 (SISA), **group**, in relation to an entity, means:

- (a) the [entity](#) acting alone; or
- (b) a Part 8 associate of the entity acting alone; or
- (c) the entity and one or more Part 8 associates of the entity acting together; or
- (d) 2 or more Part 8 associates of the entity acting together.