Investment and investment transactions — Collectable and personal use assets

Fact Sheet, August 2025

All self-managed super fund (SMSF) investments in collectables and personal use assets must comply with the rules in the regulations.

Investment in collectables and personal use assets means making, holding and realising investments involving specified assets or assets of a particular kind, if assets of that kind are ordinarily used or kept mainly for personal use or enjoyment (not including land). These investments must be made for genuine retirement purposes.

For investments held prior to 1 July 2011, trustees had until 1 July 2016 to comply with the new regulations or dispose of the assets.

All existing investment restrictions contained in the Superannuation Industry (Supervision) Act 1993 (SISA), including the sole purpose test set out in section 62 of the SISA, must still be complied with.

What are collectables and personal use assets?

Section 62A of the SISA provides that the regulations may make rules in relation to trustees of SMSFs making, holding and realising investments involving collectables and personal use assets. Sub-regulation 13.18AA(1) of the Superannuation Industry (Supervision) Regulations 1994 (SISR), specifies the assets that are taken to be collectables or personal use assets as:

+ Artwork
+ Jewellery
+ Antiques
+ Artefacts
+ Coins, medallions or bank notes
+ Postage stamps or first day covers
+ Rare folios, manuscripts or books
+ Memorabilia
+ Wine or spirits
+ Motor vehicles
+ Recreational boats
+ Memberships of sporting or social clubs.

What is meant by artwork, coins, spirits and motor vehicles?

Artwork is defined in subsection 995-1(1) of the ITAA 1997 as a painting, sculpture, drawing, engraving or photograph, a reproduction of such a thing; or property of a similar description or use.

Coins and bank notes are collectables if their value exceeds their face value. Spirits includes, but is not limited to, whiskey, gin, vodka, tequila, brandy and rum.
Motor vehicles include, but are not limited to, motor cars and motor cycles.

Conditions:

+ Collectables and personal use assets of an SMSF must not be leased to, stored in the private residence of, or used by, a related party of the fund. A related party of the fund includes a member, and:
+ A parent, grandparent, brother, sister, uncle, aunt, nephew, niece, lineal descendant or adopted child of the member or of the member's spouse
+ The spouse of the member or the spouse of any individual listed above.
+ Trustees of an SMSF must make a written record of the reasons for the decisions for storing the collectables and personal use assets in a particular place and keep the record for 10 years
+ Trustees must insure the collectables and personal use assets (other than a membership of a sporting or social club) in the name of the SMSF within 7 days of the day the fund acquired the item.
+ The transfer of ownership of collectables and personal use assets to a related party of the SMSF must be done at market value as determined by a qualified independent valuer.

What is meant by "Qualified independent valuer"?

A valuer will be qualified either through holding formal valuation qualifications or by being considered to have specific knowledge, experience and judgment by their particular professional community.

This is best demonstrated by being a current member of a relevant professional body or trade association such as:

+ Australian Antique and Art Dealers Association
+ Auctioneers and Valuers Association of Australia
+ National Council of Jewellery Valuers.

A valuer is independent if they are independent of the interests of the fund. This means that the valuer should not be a trustee or director of a corporate trustee or member of the fund or a related party of the fund (for example, an investment partner).

Penalty

A breach of any of the above conditions is a strict liability offence of 10 penalty units. A penalty unit is currently $330.

Breaches may also be a factor considered by the Commissioner when deciding whether to make the SMSF non-complying and/ or disqualifying an individual from acting as a trustee of the fund. The Commissioner may also give a trustee direction to rectify a breach.

Other considerations

Consideration should be made as to whether the investment complies with the sole purpose test, in-house asset and arm's length investment requirements of the SISA and SISR. Also, trustees need to ensure that risks involved in making, holding and realising the investment are consistent with the fund's investment strategy and cash flow requirements.

Audit tips

+ Sight the collectable at its storage location or if this is not possible sight documents such as contracts or agreements to ensure the item meets the investment conditions and is not leased to a related party of the SMSF; stored in the private residence of; or used by a related party of the SMSF. A relative of a member means the following:
+ A parent, grandparent, brother, sister, uncle,
+ aunt, nephew, niece, lineal descendant or adopted child of the member or of the member's spouse
+ The spouse of the member or the spouse of any individual listed above. Check that the decision for storing the collectables and personal use assets has been recorded in writing, either in hard copy or electronically. For example, documented in the minutes of a meeting of the trustees.
+ Sight the insurance policy to verify that the collectable or personal use asset is insured in the name of the SMSF and that it was insured within 7 days of its acquisition.
+ If the collectable or personal use asset has been disposed of to a related party of the SMSF, ensure that the item was disposed of at a market price determined by a qualified independent valuer. Do this by sighting evidence of the valuation and verifying the independence and qualifications of the valuer. Examine the fund's bank statements.

For further information or advice on how Accru can help secure your future, contact your local Accru advisor for an obligation free review

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