



ENews

INSTALMENT WARRANTS

Over a number of years instalment warrants have been marketed to superannuation funds, particularly to SMSFs. This practice is longstanding, in spite of the fact that regulatory authorities have not regarded instalment warrants as an allowable investment for a superannuation fund. The superannuation laws have now been changed to allow this longstanding practice to continue. However, fund investments in instalment warrants must still comply with other superannuation rules, for example

- instalment warrants must not result in fund assets being subject to a charge; and
- trustees are still required to demonstrate the appropriateness of including instalment warrants in their investment strategy.