

DECLARATION OF TRUST - Crypto Currency

<Name of the SMSF>

Recital

1. <Name of Trustee of the SMSF> <A.C.N > (“Trustee”) is the trustee of <Name of the SMSF> (“FUND”), which was established by a Deed dated <Date fund established> and the deed was last amended as on <Date of last amendment>.
2. The Trustee is desirous of acquiring crypto currency as an asset of the fund as detailed in item 1 of the schedule.
3. The fund's trust deed allows via clause number <clause number which allows asset class crypto currency> to invest in crypto currency for the benefit of members of the fund.
4. The Trustee is authorised by the trust deed to appoint custodians (clause number xxx) to hold assets for the benefit of the fund and the Trustee intends to comply with all issues in regard to purchase, holding and sale of crypto currency on behalf of the fund as per the trust deed of the fund.

Declaration

5. The Trustee declares that it has acquired crypto currency as an asset of the fund for an amount shown in Item 2 of the Schedule (“Purchase Price”) and it is to be held on trust by <name of the member whose name is on the digital wallet> as Custodian as detailed as apparent owner in item 3 of the schedule.
6. The Trustee declares that it is the legal owner of the crypto currency from date of purchase in its legal and equitable capacity as trustee of the fund for benefit of the fund for its members.
7. All the expenses of holding & maintaining the crypto currency from the date of purchase to its ultimate sale will be paid by the Trustee of the fund from the fund's bank account or other assets of the fund.
8. The Custodian declares that it will hold the crypto currency for the Trustee of the fund (real owner), and will not charge a fee to the Trustee for holding the crypto currency for the fund and further agrees to do all those things such as purchase further crypto currency, hold or sell as instructed by the Trustee of the fund.
9. The Custodian agrees to keep the private key in a safe place, so that the asset (crypto currency) of the fund and the security of the asset is not compromised. If there is any careless loss of asset, the Custodian agrees to indemnify the Trustee of the fund.
10. The Custodian agrees that the crypto currency as listed in item 1 of the schedule of the amount listed in item 2 of the schedule is an asset of the fund and the real owner of the crypto currency is the Trustee of the fund subject to the terms of the trust deed of the fund and further it will keep its own crypto currency separately from the public key of crypto currency as listed in item 4 of the schedule.
11. The Custodian agrees that it will refund to the Trustee any affiliate fees or commissions earned on crypto currency account (if any) and will not use the crypto currency for its own purpose or allow a mortgage or any type of charge on the crypto currency. The Custodian agrees to share the private key with at least one other Director of the Trustee of the fund, in case of sudden death of the Custodian.

12. This Declaration is governed by and is to be construed in accordance with the laws of <State of Australia>. Any provision in this Declaration that is held to be illegal, invalid, void, voidable or unenforceable must be read down to the extent necessary to ensure that it is not illegal, invalid, void, voidable or unenforceable and if it is not possible to read down the provision, that provision is severable without affecting the validity or enforceability of the remaining part of that provision or the other provisions in this Declaration.

13. The Trustee's costs in the drawing and execution of this Declaration are to be borne from the fund's assets. The terms of this Declaration bind the Trustee, and any or all successor and additional trustees as shall be appointed from time to time in such capacity.

This Declaration is dated: <Date of Signature>

EXECUTED AS A DECLARATION

The Trustee

<NAME OF TRUSTEE>

<ACN>

<ADDRESS OF THE FUND>

by being signed
by the persons authorised
to sign on behalf of the
company pursuant to section 127
of the Corporations Act 2001 (Cth)

DIRECTOR

Custodian

<Name of the person who holds
the crypto currency Account>

Custodian

SCHEDULE

Item	Description
1. Type of Crypto Currency	<e.g. bitcoin>
2. Purchase Price	\$ <Amount Paid>
3. Apparent Owner (Custodian)	<Name of the Custodian>
4. Public Key or Wallet ID	<Public Key or Wallet ID>

Valuation of Crypto Currency
<NAME OF SMSF>
Financial Year Ended 30th June 2018

Item	Description
1. Type of Crypto Currency	<e.g. bitcoin>
2. Purchase Price	\$ <Amount Paid>
3. Market Value on 30th June 2018	<Market Value 30th June 2018>
4. Market Value on date of signing of Audit Report	<Market Value on Date of signing of Audit Report>

Notes

1. Auditing Standard ASA 560 (ASA 560) requires SMSF auditors to apply audit procedures designed to obtain sufficient evidence that all events up to the date of the auditor's report that may require adjustment or disclosure in the financial report have been identified.

2. ASA 560 procedures to identify events should be performed as close as practicable to the date of the auditor's report and may require the auditor to read the trustees' minutes, make enquiries concerning litigation or a marital split, and ask trustees whether any subsequent events have occurred which might affect the financial report, such as sales of investments or significant adjustments to investment values.

Suggestive comments in Management Letter

The digital currency "Crypto Currency" operates as a decentralised peer-to-peer payment system. It enables online payments to be transferred directly without an intermediary. In order to purchase crypto currency, you need to have a "digital wallet". A wallet is a software program, once the necessary software has been downloaded, it stores and manages your "public key" and "private key". It's crucial that your private keys remains confidential. Anyone having access to your private key has complete control over the stored crypto currency in your wallet.

Your wallet keeps track of the transactions made, with time stamps on each transaction. My role as the auditor of the fund includes checking, on test basis, that all transactions are tracking and recording capital gain or loss and as per law and are reflected in the in the financial statements.

The auditor also needs to ensure that this asset

- a) is clearly identifiable as being owned by the fund (SISR 4.09A) and clearly separate from assets held by the trustees in their personal capacity;*
- b) is not acquired by the fund from any related parties (SISA Sec 66), including in-specie contribution to the fund or paid out as a pension;*
- c) articulated in the fund's investment strategy (SISR 4.09);*
- d) is allowed to be purchased by the trust deed of the fund.*

Crypto currency is a highly volatile investment based on historical pricing and does not provide any investment return, In my opinion it should not be held within a self managed superannuation fund.