

### Income & Assets Test

Only the gross income or net assets of the person to whom a sophisticated investor certificate relates may be included in the calculation under the certificate.

For the purposes of offers of debt or equities, this can include the value of their shares held in a company. Or dividends they receive from the company for the purposes of gross income.

**NOTE:** The attributable share of superannuation income and assets may be included if you can reliably identify and value their current entitlement under the fund.

#### Individual Accounts: a certificate is required in the name of the individual

- In determining the net assets or gross income of a person the net assets or gross income of a company or trust controlled by that person can be included. \*
- If a person is eligible to be a wholesale client, then a company or trust controlled by that person is also a wholesale client even if they do not otherwise qualify. \*

\*Control is defined as the capacity of one entity to determine the outcome of decisions about another entity's financial and operating policies.

It is possible that more than one person or entity may meet the legal meaning of control in relation to an entity over time. Therefore, if we receive a certificate where the company has more than one director, it is important that the certificate states:

*"In accordance with Section 50AA of the Corporations Act, a client controls a company where the client has the capacity to determine the outcome of decisions about the company's financial and operating policies."*

#### Joint Accounts: each account holder must be certified as a wholesale investor

- One certificate certifying "EACH" investor meets 708 requirements is required

#### Company Accounts: the certificate should be in the name of the Corporation (not the Directors /Shareholders)

- OR a certificate in the name of an individual where the individual controls the Corporation (per s50AA as above)

### Superannuation Funds

- Where an SMSF has individual trustees, those individuals are the joint legal owners of the SMSF's assets. The certificate should be in the name of the SMSF Trustees (not in the name of the Trust /Fund - the trust itself is not a legal entity). For further details, refer ASIC's website: [asic.gov.au](http://asic.gov.au)
- In the case of a SMSF corporate trustee, the certificate should be in the name of the company (not in the name of the Trust / Fund)

### Trustee of a Discretionary Trust

- In the case of individual trustees, EACH Trustee (investor) must meet 708 requirements separately the certificate should be in the name of the Trustee (not in the name of the Trust / Fund), OR
- A certificate in the name of an individual where the individual controls the Trust (per s50AA as above)
- In the case of a Corporate trustee, the certificate should be in the name of the company (not in the name of the Trust / Fund)