

Anthony Barry

20 Gaza Road
West Ryde, NSW, 2114
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Australian Taxation Office

Subject: Explanation of SMSF History and Rectification Efforts

Dear ATO,

I am writing to provide a clear record of the events surrounding my Self-Managed Super Fund (SMSF) since its establishment in 2017 and the steps I have taken to rectify earlier contraventions.

Background and Early Reporting

I opened the fund in 2017 but did not submit returns until late 2022.

In 2022 I set up Koinly for record-keeping, with ALL (back dated) cryptocurrency exchange data feeding into Koinly from my personal exchange accounts. At that stage, I was also unaware that exchanges required accounts in the SMSF's name, and so transactions were recorded using my personal exchange accounts.

Actions Taken to Rectify

By October 2022, when I lodged the fund's first returns, all withdrawals and related issues had already occurred. Once I understood the problems, I took the following steps:

- **Disconnected all exchanges** – Removed from Koinly all API connections that were not in the SMSF's name.
- **Established an SMSF exchange account** – Opened a dedicated Binance account in the SMSF's name for any future transactions.
- **Ceased trading activity** – Stopped all trading, except for a small conversion of approximately \$70 USDT carried out within the SMSF Binance account.
- **Airdrop handling** – The only other activity was receiving an airdrop into the Ledger wallet. This Ledger wallet was already recorded in the original Koinly setup and its addresses form part of the SMSF records, so the airdrop remains within the SMSF.

After submitting the 2018–2021 returns, I received an ATO letter regarding unrectified contraventions. I immediately contacted the accountant who had prepared the returns and was advised that I needed to repay the withdrawn funds before closing the fund. I have attached the relevant email correspondence and a repayment plan for your reference.

Reasons for Late Lodgment of the 2022, 2023, and 2024 Returns

After receiving an ATO letter stating that the contraventions remained unrectified, I contacted my former accountant (Talent Accounting) to ask what steps I should take, as I wished to close the fund. He advised that I had to repay the withdrawn funds in full before the fund could be closed (copy of email attached). Acting on this advice, I intentionally delayed lodging the 2022 return because I knew it also had a contravention and planned to submit the 2022 through 2025 returns together once I had repaid the money.

Because I had been unemployed since February 2020 and only regained employment in early 2022, I lacked the financial capacity to repay the fund immediately. Between 2022 and 2025 I gradually contributed \$36,532 to the fund (\$2,000 recorded in the 2024 return and the remainder to be recorded in the 2025 return, which is not yet submitted) in an effort to comply with the accountant's instructions and demonstrate good faith.

In June 2025 I engaged a new accountant (Datawise Accounting) to prepare the 2025 return, which has been drafted and sent to the auditor. Subsequent discussions with the ATO have clarified that the withdrawn amounts could not be repaid as a "loan," and that all amounts I contributed will instead be treated as member contributions and reflected as such in the 2025 return. Had I known this earlier, I would have lodged the 2022 return on time rather than waiting to show repayments.

Exchange Statements

For the 2018–2022 financial years, the SMSF's cryptocurrency reporting relied on Koinly reports generated from API connections to my personal exchange accounts, and I did not retain separate exchange statements for those years.

Both Talent Accounting (2018–2022) and Integrity Plus Accounting (2022) had direct access to the Koinly account and were able to download any reports and transaction details required for preparing the returns. From 2023 onward, I opened exchange accounts in the SMSF's name and now keep full statements. However, many exchanges provide only limited historical downloads, so official statements for 2018–2022 can no longer be obtained directly from those exchanges.

Because personal exchange accounts were initially used for the SMSF, any available statements from those exchanges are included in the Exchange Statements folder and labelled "(Personal)." These personal exchange connections were fully disconnected from Koinly during the 2022–23 financial year, once the dedicated SMSF Binance account was established.

Reasons for Withdrawals

- **2018** – It was such a long time ago, I find it hard to remember, but I do think they were accidental, caused by confusion between accounts in the NetBank app. I have since hidden the SMSF account from my regular banking view and clearly labelled it to prevent recurrence.
- **2020–2022** – Other withdrawals occurred while I was unemployed since February 2020, during the pandemic and facing financial hardship. I resumed employment only in March 2022, with my first paycheck arriving at the end of April 2022.

Transactions and Records

In reviewing all transactions, I identified discrepancies in the original returns. While I supplied all available Koinly data to the accountant, some figures were misallocated. Up until the 2021 returns, the profit and loss totals nevertheless reconciled with the Koinly reports, so there was no concealment. However, for the 2022 and subsequent returns, I do not understand how the figures were prepared, which is why I have now engaged another accountant to review and correct them.

I also located an old Bittrue exchange spreadsheet containing trades that had not previously been imported into Koinly. To address this, I prepared a CSV file of the Bittrue data, which shows that the deposits and withdrawals align with the corresponding outbound and inbound transactions recorded in Koinly. I have also added explanatory notes to these transactions in Koinly, which can be located by searching the Koinly transaction CSV file for “Bittrue.”

The inclusion of this data into Koinly was ultimately my responsibility, and the omission was unintentional. I have evidence that these transactions were originally provided to Talent Accounting when they prepared the accounts, but I believe they were overlooked during the setup of Koinly at a time when I was overwhelmed with the overall process.

Attachments

I have enclosed a zip file with supporting documentation as you have requested. You will find folders might have a notes.txt file in it, which will explain/describe the contents of files if it is not obvious.

I acknowledge that I treated the fund more like a personal trading account rather than an investment vehicle. I regret these errors and have taken significant steps to correct them since 2022. From that point on, my intention has always been to remain compliant and to wind up the SMSF responsibly and in good faith.

In my defence, when I established the fund in 2017, I had no prior experience with SMSFs, bookkeeping, accounting, or cryptocurrency. When the market crashed and I saw my savings significantly reduced, I panicked and attempted to recover the losses in the following years. This contributed to the original delay in preparing the tax returns.

I recognise now that I was not properly qualified to manage my own fund at that time. Although I have since gained a better understanding, I do not have the time required to manage the fund to the standard expected. For this reason, and as I have expressed to each accountant I have engaged, my wish is to voluntarily wind up the fund despite the heavy financial loss. The process has caused significant mental strain, well beyond the financial impact, and I now want to focus entirely on rebuilding my superannuation balance over the next 15 years under professional management.

I do not own a home, and my only personal goal is to secure one for my family. I therefore seek the ATO's guidance on any further actions required so I can bring this matter to a close and move forward.

Thank you for your consideration.

Sincerely,
Anthony Barry
Trustee, Anthony Barry SMSF