

Standard Business Reporting

Australian Taxation Office –

Family Trust Election, Revocation or Variation 2021 (FTER.0003)

Business Implementation Guide

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This document and its attachments are Official

For further information, raise an enquiry via [Online Services for DSPs](https://softwaredevelopers.ato.gov.au/OnlineservicesforDSPs)*.* If you are unable to access this, contact [SBRServiceDesk@sbr.gov.au](mailto:SBRServiceDesk@sbr.gov.au) or call 1300 488 231. International callers may use +61-2-6216 5577.

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Endorsement

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| Brian Blundell - endorsed for business context |
| Director, New Policy – Private Wealth |

|  |
| --- |
| David Baker - endorsed for publication |
| Director, Project and Systems Support – Individuals and Intermediaries |

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1. Introduction
   1. Purpose and document context

The purpose of this document is to provide information to assist Digital Service Providers (DSPs) in understanding the business context surrounding Family Trust Election, Revocation or Variation (FTER) interactions. These interactions are performed with the ATO through the Standard Business Reporting (SBR) platforms.

This document defines the interactions that are available to a FTER, outlines which reporting parties can use the services, explains constraints and known issues with the use of the interaction and provides guidance with certain identified issues.

The FTER service refers to the interactions with the ATO for a user, depending on their role, to:

* lodge a family trust election
* lodge a family trust revocation
* lodge a family trust variation.

The ATO FTER Business Implementation Guide forms part of the broader suite of documents used by the ATO, that describe and interpret how the technical implementation relates back to the business context and process. This document is designed to be read in conjunction with the ATO SBR documentation suite including the:

* web service/platform information
* ATO Common Business Implementation Guide
* ATO SBR Service Registry (SR)
* test information, for example, conformance suites
* Message Structure Tables
* validation rules.
  1. Glossary

For a glossary of terms, **see also**:

* [SBR glossary](https://www.sbr.gov.au/digital-service-providers/developer-tools/glossary)
* [ATO glossary](https://www.ato.gov.au/Definitions/?anchor=top)
* *Common Business Implementation and Taxpayer Declaration Guide*
  1. Changes to 2021 FTER service

Minor changes have been made to the 2021 FTER.

Table 1: Alias changes

|  |  |  |
| --- | --- | --- |
| **Alias** | **Action** | **Report label** |
| FTER173 | Add | Reporting period start date |
| FTER174 | Add | Reporting period end date |

1. What are the Family Trust Election, Revocation interactions?

The FTER is used by a trust or a self-managed superannuation fund to make, revoke or vary a family trust election.

When lodged as a stand-alone form, the FTER must be used for an election only – not a variation or revocation.

When lodged as a schedule, the FTER may be used for a Family Trust Election, Revocation or a variation. The schedule must accompany a valid parent form.

**Find out about:**

* [ATO website – Family trust election](https://www.ato.gov.au/General/Trusts/In-detail/Family-trusts---concessions/?page=1#Family_trust_elections__FTE_)
  1. Where SBR fits into FTER lodgment obligations

The FTER service supports trusts to meet their tax and reporting obligations.

The pre-lodge and lodge interactions are a core part of the SBR-enabled FTER business process. When a reporting party has gathered all information required, they would then complete the return, validate it (this is optional) and correct any labels before lodgment (if required).

**Table 2: SBR interactions and Family Trust Election process**

|  |  |
| --- | --- |
| **Initiating party** | **SBR service offering** |
| **Step 1**: Decision made to make a family trust election | Not applicable |
| **Step 2:** FTE completed | FTER.Prelodge validate report data  (This interaction is optional) |
| **Step 3**: Is submission rejected?   * Yes: Revisit step 2 * No: Lodge | FTER.Lodge  Lodge the report |
| **Step 4:** View success message | Not applicable |

* 1. Parent forms

An FTER schedule that reports either an election, variation or revocation related to an FTE must accompany the parent form that’s being used to report the entity’s income/loss for the financial year.

**Table 3: Valid parent forms**

| **Parent form** | **SBR core services** | **SBR ebMS3.0** |
| --- | --- | --- |
| Self-Managed Superannuation Fund Annual Return (SMSFAR) | Y | Y |
| Trust Tax Return (TRT) | Y | Y |

For more information on the validation rules and circumstances that determine when a schedule should be used, refer to the Message Structure Table, schedule structure tables and validation rules of the schedule and parent form.

* 1. Interactions

The FTER lodgment process could consist of the following interactions in the below table.

Table 4: FTER interactions

| **Service** | **Interaction** | **Detail** | **Single** | **Batch** | **Optional** |
| --- | --- | --- | --- | --- | --- |
| FTER | FTER.Prelodge | Validate data inputted into FTER before submitting for processing | Y | Y | Y |
| FTER | FTER.Lodge | Lodge FTER for processing | Y | Y | N |

* 1. Channels

The FTER interactions are available in the following channels shown in the below table.

Table 5: Channel availability of FTER interactions

|  |  |  |
| --- | --- | --- |
| **Interaction** | **SBR core services** | **SBR ebMS3.0** |
| FTER.Prelodge | Y | Y |
| FTER.Lodge | Y | Y |

1. Authorisation
   1. Intermediary relationship

The type of SBR service an intermediary can use on behalf of their clients depends on the activity being undertaken and whether the intermediary has a relationship with the client. That is, an intermediary has the appropriate authorisation for the interaction being performed on behalf of the taxpayer recorded in ATO systems.

To use the FTER interaction, a business intermediary must be appointed by a business (the principal) in Access Manager to use the available services on their behalf.

The tax agent to taxpayer relationship is a fundamental precondition to interacting with SBR for FTER interactions

**Note**: If the relationship doesn’t exist, the SBR submit interaction of the Client Update Relationship(CUREL) service can be used to establish a relationship between the intermediary and the taxpayer.

**See also:**

* The [*CUREL Business Implementation Guide*](https://www.sbr.gov.au/digital-service-providers/developer-tools/australian-taxation-office-ato/obligation-management-oblmgt/client-management-clntmgt), for further information
* The [SBR website](https://www.sbr.gov.au/digital-service-providers/developer-tools/australian-taxation-office-ato/obligation-management-oblmgt/client-management-clntmgt), for more information on client management.
  1. Access and initiating parties

ATO systems will check that the initiating party has permission to use the interaction that is received through the SBR channel.

**See also:**

* Section 3– Authorisation in the *Common Business Implementation and Taxpayer Declaration Guide*
* The [ATO website](https://www.ato.gov.au/general/online-services/access-manager/), for more information on Access Manager.

The table below displays the interactions available to each initiating party via SBR for FTER.

Table 6: FTER permissions

| **Service** | **Interaction** | **Activity** | **Tax agent** | **BAS agent** | **Business** | **Business Intermediary** |
| --- | --- | --- | --- | --- | --- | --- |
| FTER | FTER*.Prelodge* | Validate data inputted into FTER before submitting for processing | Y | N | Y | Y |
| FTER | FTER*.Lodge* | Lodge FTER for processing | Y | N | Y | Y |

A user must be assigned the appropriate authorisation permissions to use the FTER service. The below table references the SBR service to the relevant permission in Access Manager.

Table 7: Access Manager permissions

| **Service** | **Access Manager Permission** |
| --- | --- |
| FTER | Family Trust Election, Revocation -Lodge check box |

# Constraints and known issues

Digital Service Providers (DSPs) must be aware of the usage restrictions, which are described within the Reasonable Use policy. The ATO actively monitors the use of services and will notify DSPs that contravene this policy. Continued breaches may result in de-whitelisting.

**Find out about:**

* The,[Reasonable Use policy](https://softwaredevelopers.ato.gov.au/Usingourservices#Reasonableuse)**.**

1. Taxpayer declarations

When an Intermediary lodges an approved form on behalf of a taxpayer, the law requires the intermediary to have first received a signed written declaration from that taxpayer. Developers of SBR-enabled software products may elect to provide a printable version of the taxpayer declaration within their products to assist intermediaries. A taxpayer declaration must be obtained by the intermediary for all lodgment obligations performed on behalf of their client. These declarations apply for original lodgments, when lodging a Family Trust Election, Revocation or Variation form. You cannot amend a Family Trust Election, Revocation or Variation form that has been lodged.

**Find out about:**

* Information on the retention of declarations and frequently asked questions on the [ATO website](https://www.ato.gov.au/tax-professionals/prepare-and-lodge/managing-your-lodgment-program/client-declarations-and-lodgment-online/).
  1. Suggested wording

|  |
| --- |
| **Privacy**  The ATO is authorised by the *Taxation Administration Act 1953* to request the provision of tax file numbers (TFNs). The ATO will use the TFNs to identify you in our records. It is not an offence not to provide the TFNs. However, lodgments cannot be accepted electronically if the TFN is not quoted.  Taxation law authorises the ATO to collect information and to disclose it to other government agencies. For information about your privacy go to ato.gov.au/privacy.  **Declaration**  I declare that:   * All of the information I have provided to the agent for the preparation of this document is true and correct * I authorise the agent to give this document to the Commissioner of Taxation. |

1. FTER guidance
   1. TFN and ABN algorithm validation

**Find out about:**

* [How to obtain the tax file number algorithm](https://softwaredevelopers.ato.gov.au/obtainTFNalgorithm), to access the algorithm and validate TFNs in a BMS product
* [ABN algorithm, ABN lookup web services and Super Fund lookup web services](https://softwaredevelopers.ato.gov.au/ABNformat).