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| Standard Business Reporting  Australian Taxation Office –  Fund Income Tax Return 2021 (FITR.0008) Business Implementation Guide  Date: 23 September 2021  Status: Final | |
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# Introduction

* 1. Purpose and document context

The purpose of this document is to provide information that will assist Digital Service Providers in understanding the business context surrounding the Fund Income Tax Return (FITR) interactions. These interactions are performed with the Australian Taxation Office (ATO) through the Standard Business Reporting (SBR) platform.

This document defines the interactions that are available in FITR services, 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.

Specifically, the FITR services refer to the interactions with the ATO for a user, depending on their role, to:

* lodge a FITR
* lodge an amendment to a FITR
* lodge a FITR (original or amended) for a prior year as an SBR ebMS3 message containing the ELS tag formatted data.

This document applies to the SBR FITR services for 2021 FITRs and the SBR ELStagFormat service for the years 1998-2016.

**See also**:

* For 2017 FITR’s – see the *ATO FITR.0005.2017 Business Implementation guide.*
* For 2018 FITR’s – see the *ATO FITR.0006.2018 Business Implementation guide.*

The ATO FITR Business Implementation Guide forms part of the broader suite of documents used by the ATO to describe or 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 and Taxpayer Declaration Guide
* ATO 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 definitions](https://www.ato.gov.au/Definitions/?anchor=top)
* *Common Business Implementation and Taxpayer Declaration Guide*
  1. Changes to the FITR

In the 2021 FITR the main changes are:

* Significant global entity (N1), previously label N is at item 8 – Status of fund or trust.
* Country-by-country reporting entity (N2) is at item 8 – Status of fund or trust.

# What are the FITR services?

The FITR is to be used for Australian Prudential Regulation Authority (APRA) regulated and non-regulated superannuation funds and Pooled Superannuation Trusts (PSTs). It ensures the correct amount of tax is paid on the income of super funds, and on benefit payments made by super funds, including the payment of income streams.

## Where Standard business reporting (SBR) fits into FITR lodgment obligations?

The FITR service provides a numerous functions for lodgment of a fund’s reporting obligations. These include the lodgment of:

* The FITR
* amendments to the FITR (where appropriate).

The pre-lodge and lodge interactions are the core part of the SBR-enabled FITR business process. When the fund’s intermediary has gathered all information required, they would prepare the return, validate it (this is an optional step) and if required correct any labels, before lodgment.

|  |  |
| --- | --- |
| **Initiating party** | **SBR service offering** |
| **Step 1**: Complete FITR | *FITR.Prelodge*\*  Validate report data |
| **Step 2**: Is submission rejected?  Yes: Revisit step 1  No: Lodge | *FITR.Lodge\**  Lodge the report |
| **Step 3**: View success message | Not applicable |

Table 1: Context of SBR interactions and the FITR process

* 1. Schedules

A FITR lodgment can include a schedule that contains additional information required to assess a Funds' income. Valid schedules that can be included in the FITR message are:

| **Schedule** | **SBR collaboration** | **SBR Core Services**  ***(2020 onwards)\**** | **SBR ebMS3.0** |
| --- | --- | --- | --- |
| Non-Individual PAYG payment summary schedule | ato.pss.0002.2018.01.00 | N | Y |
| Capital Gains Tax schedule | ato.cgts.0006.2018.01.00 | N | Y |
| Losses schedule | ato.ls.0006.2017.01.00 | N | Y |

Table 2: Valid schedules

\*FITR is currently available via SBR Core for the 2016 – 2019 services. From 2020 onwards, FITR has been made available via SBR ebMS3.0.

For more information on the validation rules and circumstances that determine when a schedule needs be used, **See also:**

* FITR message structure table
* schedule structure tables
* FITR validation rules
  1. Interactions

The FITR lodgment process could consist of the following interactions. Batch requests are only accepted via the SBR ebMS3 platform.

| **Service** | **Interaction** | **Detail** | **Single** | **Batch** | **Optional** |
| --- | --- | --- | --- | --- | --- |
| FITR | *FITR.Prelodge* | Validate FITR message before lodgment (2018) | Y | Y | Y |
| FITR | *FITR.Lodge* | Lodge FITR (2018) | Y | Y | N |
| ELStagFormat | *ELStagFormat.Lodge* | Lodge FITR for prior years as SBR message using ELS tag format | N | Y | Y |

Table 3: Interactions available in the FITR lodgment process

* 1. Channels

The FITR interaction is available in the following channels:

|  |  |  |
| --- | --- | --- |
| **Interaction** | **SBR Core Services** | **SBR ebMS3.0** |
| *FITR.Prelodge* | Y | Y |
| *FITR.Lodge* | Y | Y |

Table 4: Channel availability of FITR interactions

1. Authorisation
   1. Intermediary relationship

The SBR services 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. An intermediary must have the appropriate authorisation for the interaction being performed on behalf of the taxpayer recorded in ATO systems.

To use the FITR interaction, an intermediary must be appointed by a business in Access Manager to use the available services on their behalf.

|  |  |
| --- | --- |
| attention_pms | In relation to the tax agent to taxpayer relationship, system level linkages are a fundamental precondition to interacting with SBR for FITR interactions. |

**Note**: If the relationship doesn’t exist, the SBR Add Client Relationship interaction of the Client Update services can be used to establish a relationship between the tax intermediary and the taxpayer.

**See also:**

* The *Client Update Business Implementation Guide* and the *Client Update Message Implementation Guide* for further information.
  1. Access and initiating parties

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

**See also:**

* Section 3 – Access in the *Common Business Implementation and Taxpayer Declaration Guide*.
* [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 FITR and ELStagFormat:

| **Service** | **Interaction** | **Activity** | **Tax agent** | **BAS agent** | **Business** | **Business Intermediary** |
| --- | --- | --- | --- | --- | --- | --- |
| FITR | *FITR.Prelodge* | Validate data inputted into FITR before submitting for processing | Y | N | Y | Y |
| FITR | *FITR.Lodge* | Lodge FITR for processing | Y | N | Y | Y |
| ELStagFormat | *ELStagFormat.*  *Lodge* | Lodge PTR for prior years as a SBR message using ELS tag format | Y | N | N | N |

Table 5: FITR permissions

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

| **Service** | **Access Manager Permission** |
| --- | --- |
| FITR | Fund Income Tax Return   * *Lodge* check box |

Table 6: Access Manager permissions

1. Constraints and known issues
   1. Constraints when using this service

Not Applicable.

* 1. usage restrictions

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. Known issues

Not Applicable.

1. Taxpayer declarations

Each time 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, not just for original lodgments, but when lodging amendments to FITR.

**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 the entity 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. FITR guidance
   1. Lodgment due date

For funds with an income year ending 30 June, the due date for lodgment is 31 October. The Commissioner may allow later lodgment dates that are published on [ato.gov.au/Super/APRA-regulated-funds/Reporting-and-lodgment-dates](https://www.ato.gov.au/Super/APRA-regulated-funds/Reporting-and-lodgment-dates/%20)**.**

* 1. Prior year FITR

In order to support prior year lodgments, that is from 1998 to 2016 via SBR, lodgment of FITR is done by using the *ELStagFormat* service. ELS formatted data can be submitted as an SBR ebMS3 message using the ELS tag, which encapsulates the legacy ELS message. *ELStagFormat* is only available as a batch lodgment.

**See also:**

* the A06\_DIS\_SBR specification from the ELS suite of artefacts, available from the ATO [software developer website](http://softwaredevelopers.ato.gov.au/ELSspecification)**.**
  1. Using the additional free text field

The FITR message contains a free text field, *Attachment A* (SBR alias: FITR202 / ELS tag: AEB), to enable appropriate information to be added to a return for assessment.

While validation cannot control what information is provided in the additional field, below is some advice for end-users to follow to ensure returns lodged when this field contains content are processed without unnecessary delays:

* Free text content needs to be clear, concise and necessary to determine the outcome of the assessment of the return being lodged and must only be used under the correct circumstances. Information entered that doesn’t meet this criterion may cause processing delays.
* Digital Service Providers need to consider whether a ‘help’ or informational message concerning use of this field would be beneficial for end users.

**See also:**

* The [ATO website](https://www.ato.gov.au/Tax-professionals/Prepare-and-lodge/Tax-Time-2021/Before-you-lodge/Prevent-delays-in-processing-returns/#Providingadditionalinformation), for further information on the additional information field.
  1. TFN and ABN algorithm validation

**See also**:

* <http://softwaredevelopers.ato.gov.au/obtainTFNalgorithm> to obtain access to the algorithm to validate TFNs in a BMS product.
* <http://softwaredevelopers.ato.gov.au/ABNformat> forinformation on ABN validation.
  1. Future years

The functionality to enable lodgment of future year (early lodged) returns is available as part of this service.

A future year return is a lodgment by a client or their authorised intermediary prior to the end of the current reporting period, for example, the lodgment of a fund’s current year income tax return before the end of the FITR year of 30 June of the year the lodgment is due or the end of their Substituted Accounting Period [SAP].

In order for a client or their authorised intermediary to lodge a future year return, the year cannot be greater than one year (Current Year + 1) into the future and certain criteria must be met.

* 1. Truncating amounts

To ensure users of your software products complete FITRs correctly, only whole dollars must be shown (don’t show cents). The following examples show how to round amounts:

**Example 1:** $24.37 would be rounded down to $24

**Example 2:** $12.89 would be rounded up to $13

**Example 3:** $6.50 could be reported as $6.

Once truncating has been performed, the truncated amount needs to be used in any calculation rather than the original amount.

The requirement to truncate amounts is in accordance with section 388-85 of Schedule 1 to the *Taxation Administration Act 1953*.