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APPROVAL

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**TABLE OF CONTENTS**

[1 Introduction 5](#_Toc491338165)

[1.1 Purpose 5](#_Toc491338166)

[1.2 Audience 5](#_Toc491338167)

[1.3 Document Context 5](#_Toc491338168)

[1.4 Glossary 5](#_Toc491338169)

[1.5 SBR Services 8](#_Toc491338170)

[2 Background to SBR 10](#_Toc491338171)

[2.1 What is SBR? 10](#_Toc491338172)

[2.2 Who Can Use SBR? 10](#_Toc491338173)

[2.3 Responsibilities of Software Developers Implementing CAA 12](#_Toc491338174)

[2.4 Benefits of implementing ATO SBR services 13](#_Toc491338175)

[2.5 Taxonomy 13](#_Toc491338176)

[2.6 Actions and Services Offered 14](#_Toc491338177)

[2.7 What’s New in SBR ebMS3 16](#_Toc491338178)

[2.7.1 New Messaging Capability 16](#_Toc491338179)

[2.7.2 Services available in each SBR channel 16](#_Toc491338180)

[3 Access 17](#_Toc491338181)

[3.1 Obtain and Install an AUSkey 17](#_Toc491338182)

[3.2 Access Manager 17](#_Toc491338183)

[3.2.1 Authentication and Authorisation 18](#_Toc491338184)

[4 Message Types and Error Handling 19](#_Toc491338185)

[4.1 Request Message Types 19](#_Toc491338186)

[4.2 Response Message Types 19](#_Toc491338187)

[4.3 Response Times 20](#_Toc491338188)

[4.4 Validation – SBR Core Services vs. SBR ebMS3 20](#_Toc491338189)

[4.4.1 SBR Core Services validation 20](#_Toc491338190)

[4.4.2 SBR ebMS3 validation 21](#_Toc491338191)

[4.5 Error Handling 21](#_Toc491338192)

[5 Design Considerations 23](#_Toc491338193)

[5.1 Using the Additional Information element 23](#_Toc491338194)

[5.2 Taxpayer Declarations 24](#_Toc491338195)

[5.3 Prior Year Returns via SBR eBMS3 26](#_Toc491338196)

[Table 1: Glossary of terms 8](#_Toc491338197)

[Table 2: Additional context labels 14](#_Toc491338198)

[Table 3: Actions available in SBR 15](#_Toc491338199)

[Table 4: Request message types 19](#_Toc491338200)

[Table 5: Message type behaviour 19](#_Toc491338201)

[Table 6: Response message types 20](#_Toc491338202)

[Table 7: Examples of helpful free text scenarios 23](#_Toc491338203)

[Figure 1: Access Manager authentication and authorisation 18](#_Toc491338204)

[Figure 2: Context of declarations 25](#_Toc491338205)

# **Introduction**

Purpose

The purpose of this document is to provide information that will assist software developers in understanding the business context surrounding client interactions with the Australian Taxation Office (ATO) through the Standard Business Reporting (SBR) platform.

Audience

The audience for this document is any organisation building any ATO SBR services into their products. Typically this will be software application developers and business analysts.

Document Context

The ATO Common Business Implementation Guide forms part of the broader suite of documents used by the ATO to describe the business context and client usage of digital services offered by the ATO through the SBR platform. This document also provides high level guidance and reference to additional documentation to assist software developers understand what is required at key points throughout the development lifecycle.

A business implementation guide describes the client interaction being implemented through the use of a particular service. For the submission of reports and returns a high level overview of the lodgment obligation is provided.

See the SBR [high level document](http://www.sbr.gov.au/__data/assets/file/0016/44314/SBR-ATO-Site-and-Document-maps.xlsx) map for the relationship of this document with others in the suite.

Glossary

This table only contains terms that need specific explanation for this document. Other terminology can be found in the [SBR glossary](http://www.sbr.gov.au/software-developers/developer-tools/glossary).

| **Term** | Definition |
| --- | --- |
| Access Manager (AM) | A standalone service managing individuals’ access and permissions to ATO online services for Tax Agent, BAS Agent and Business Portals. |
| AUSkey | A single identification key to access government online services including ATO portals, the ABR and Standard Business Reporting (SBR) enabled software. Before a business can register for an AUSkey, it must have an ABN. There are three types of AUSkey:   1. Administrator AUSkey 2. Standard AUSkey 3. Device AUSkey.   Device AUSkeys can only be used when lodging through SBR-enabled software. It is issued to a server or IP address rather than a person. This means the Device AUSkey can be used for various machine-to-machine services without individual staff having to maintain their own AUSkey credentials. |
| Australian Reporting Dictionary (ARD) | Allows plain English searching of the Standard Business Reporting Australia (SBR AU) Taxonomy. The Dictionary was co-designed to satisfy the search needs of a wide range of users, including policy designers, legislative drafters, software developers, systems integrators, business and reporting professionals. |
| Australian Business Number (ABN) | A unique public identifier issued to all entities registered in the Australian Business Register (ABR), to be used in their dealings with government. Companies registered under the Corporations Law and business entities carrying on an enterprise in Australia are entitled to an ABN. It is restricted to an 11 digit number. |
| Authentication | The process of confirming the identity of an individual – for example, through use of an AUSkey. |
| Authorisation | The process of allowing individuals the ability to carry out certain functions – for example giving a particular staff member the authority to submit a particular type of transaction. |
| Batch | A collection of transactions in a single message. |
| BAS | Business Activity Statement. |
| BAS Agent | An entity who is registered with the Tax Practitioner Board and provides [BAS agent services](http://www.tpb.gov.au/TPB/Register/0319_Tax_agent_services.aspx) for a fee or other reward. |
| Business document | All the components that make up the design of an electronic message exchange that are organised in a certain hierarchy (structure) and sequence. |
| Business intermediary | A business with the authorisation to act on behalf of another business. |
| Business Management Software (BMS) | Software used by businesses and intermediaries to manage business finances and reporting obligations.. |
| Business response | A business response confirms whether a message has been successfully transmitted to the ATO by notifying the user whether the transaction, or transactions contained in that message has passed or failed validation. The business response occurs after the validation process; however, the final result of the transaction is still pending. |
| Client | Any taxpayer (individual, business, company, trust, etc) that interacts with the ATO. |
| CAA | Cloud Software Authorisation and Authentication. |
| Financial year | The 12-month period between 01 July to 30 June (the period usually covered by Australian tax returns).  Where a single year is used to describe a financial year, this represents the end of the period. For example, the 2014 financial year is the period 01 July 2013 to 30 June 2014. |
| Form | An ATO document, such as an activity statement or tax return, containing the information required from taxpayers to meet a reporting obligation. |
| Interaction | The activity of sending or receiving information from/to the ATO via SBR-enabled software. For example, an interaction could be a form being lodged by a user to the ATO. |
| Intermediary | A person or organisation that acts as the middleman between clients and the ATO. The three key types of intermediaries are registered tax agents, BAS agents and fund managers. |
| JSON | JavaScript Object Notation. |
| Lodge | Preliminary processing has confirmed that sufficient information has been provided for the ATO to consider lodgment as accepted. It is considered that the taxpayer’s reporting obligation has been met, but not necessarily their financial obligation. |
| Message | Contains one or more transactions sent to or from the ATO via SBR-enabled software. |
| Obligation | In the context of this business implementation guide, Obligation is a requirement for a client to produce information to the ATO, mandated either by legislation or other statutory requirement. |
| SBR AU | Standard Business Reporting Australia (SBR AU) Taxonomy (see also ‘Australian Reporting Dictionary (ARD)’). |
| SBR Core Services | A single electronic gateway that allows SBR enabled software to submit to agencies, similar to an electronic postal service. |
| SBR ebMS3 | Standard Business Reporting channel that supports ebMS3, the ATOs electronic commerece channel. |
| SBR-enabled Software | SBR is built into business/accounting software making it SBR enabled. |
| Sender | The entity sending the request message to the ATO via SBR. The entity can be same as the reporting party or be an intermediary. The sender must have an AUSkey (refer to the SBR web service implementation guide’). |
| Standard Business Reporting (SBR) | An Australian Government initiative, led by Treasury, to provide a standardised method of reporting across all government agencies. SBR has been co-designed by Australian, state and territory government agencies in partnership with software developers, business and their accountants, bookkeepers, tax agents and payroll professionals.  SBR will standardise the process of fulfilling business-to-government reporting obligations by using financial, accounting or payroll software to populate data (either fully or partially) into government forms, provide an electronic interface to agencies directly from accounting software, which will also provide validation and confirm receipt of reports, and introduce a single secure way to interact online with participating agencies.  When used in the context of a channel, SBR covers both SBR Core Services and SBR ebMS3 AS4. |
| Standard Business Document Message (SBDM) | SBR message content used for both requests and responses across all SBR web services. The SBDM consists of two elements: a mandatory header - SBDH and an optional body - SBDB. |
| Registered Agent Number (RAN) | A unique number allocated to Tax agents, BAS agents and financial planners when they are registered by the Tax Practitioner Board. |
| Tax Agent | An entity who is registered with the Tax Practitioner Board and provides [Tax agent services](http://www.tpb.gov.au/TPB/Register/0319_Tax_agent_services.aspx) for a fee or other reward. |
| Tax Practitioner | Tax agent or BAS agent. A request by an agent must include a registered agent number. |
| Taxpayer | The legislated entity to whom or which the reporting or lodgment obligation pertains. |
| Transaction | A unit of work for client or ATO business services. For example, an activity statement lodgment, a client update request or a client account list. |
| User | Any authorised entity that uses SBR-enabled software to interact with the ATO. |
| Validation | The process of ensuring that the data sent in is free of logical errors before transmitting the data to the ATO for processing. |

Table 1: Glossary of terms

SBR Services

The following services were introduced to the SBR Core Services platform:

* ABN Registration services
  + AUSkey
  + ABN Detail
  + ABN Questionnaire
  + Help service
  + Status
  + Add tax role.
* Trust tax return for Attribution Managed Investment.

The following services were introduced to the SBR ebMS3 platform:

* Account Role
* Assessment
* Client Account
* Client Communication
* Client Update Demographics
  + Client details
  + Associates
  + Address
  + Financial institution
  + Authorised contacts.
* Client Update Relationships (NB: this is a separate service to the original CU service)
* Country by country reporting
* Payment reference number
* Payroll event
* Role list
* Unclaimed super match
* Update deferrals.

The following services have been deprecated:

* Account List.

# **Background to SBR**

What is SBR?

Standard Business Reporting (SBR) is a standardised approach to online or digital record-keeping that was introduced by government in 2010 to simplify business reporting obligations.

SBR functionality that is built into business software makes software, ‘SBR-enabled’.

SBR functionality extracts information that has been recorded in business software and puts it into the relevant government report. The report can then be checked for accuracy and submitted securely to government using an [AUSkey](https://abr.gov.au/AUSkey/).

Some of the benefits of SBR include real time interactions and validations and the ability to send data “in bulk”. We are working closely with the tax practitioner community and software developers to ensure we design new services and transition them into production effectively to minimse any disruption effects on business.

Who Can Use SBR?

The primary authentication for an individual to interact via SBR is an AUSkey. Individual self lodgers and individual sole traders are currently out of scope and encouraged to interact electronically via ATO online services or through a tax practitioner.

There are three key user types:

* Tax Practitioners (Tax and BAS Agents)
* Businesses, and
* Business Intermediaries
  + for example payroll providers, financial advisors, legal advisors, managed super funds.

**Tax Agents**

A tax agent is a person or entity registered under the Tax Agent Services Act (TASA) 2009 to

provide a tax agent service, which is any service that relates to:

* ascertaining or advising about the liabilities, obligations or entitlements of an entity under a taxation law; or
* representing an entity in their dealings with the Commissioner of Taxation; and
* [the service] being provided in circumstances where it is reasonable to expect that the entity will rely on it to satisfy liabilities or obligations under a taxation law, or to claim entitlements under a taxation law.

**BAS Agents**

A BAS agent is a person or entity registered under the TASA 2009 provide a BAS service that relates to:

* ascertaining or advising an entity about the liabilities, obligations or entitlements of the entity, or another entity, that arise (or could arise) under a BAS provision
* representing an entity in dealings with the Commissioner in relation to a BAS provision.
* a service provided in circumstances where the entity can reasonably be expected to rely on the service for the purpose of satisfying liabilities or obligations that arise (or could arise) under a BAS provision, or to claim entitlements that arise (or could arise under a BAS provision).

Access to specific online functions vary between Tax and BAS agents. Information on what each agent can access online and through SBR-enabled software can be found [here](https://www.ato.gov.au/tax-professionals/services-and-support/working-online/).

**Businesses**

A business operating with an ABN that has an AUSkey can transmit services via SBR enabled software.

**Business Intermediaries**

A business intermediary is a third party who has the authority to act between the ATO and a business. In this scenario, the third party is given authority from the business to lodge on its behalf via SBR. The ATO, the receiving agency, views the lodgment as being made by the business, and not by the third party. The business intermediary relationship is created within Access manager. The intermediary is not considered an “authorised contact”.

Responsibilities of Software Developers Implementing CAA

Software developers have a responsibility to be aware of their obligations according to the guidance issued by the Tax Practitioners Board and within the Cloud Software Authentication and Authorisation (CAA) Kit. Specifically:

* the role of software to provide appropriate levels of authentication and authorisation, to identify third party lodgers, to identify registered agents, and to obtain declarations of authorised persons prior to any lodgement, and
* the role of software providers to be aware of what constitutes providing a tax agent or BAS service, including requirements of a software provider from the cloud.

It is expected that software developers have read and ensured that their software complies with the following information and documentation.

**Cloud Software**

The Cloud Software Authentication and Authorisation kit outlines the requirements that need to be met to become a cloud software provider.

<http://softwaredevelopers.ato.gov.au/Cloud_Software_Authentication_and_Authorisation>

**Registration with the Tax Practitioners Board**

Under the Tax Agent Services Act 2009 (TASA), entities that provide a ‘tax agent service’ for a fee or reward are required to be registered with the Tax Practitioners Board (TPB). The TPB has released an information sheet to assist software providers who provide tax related software systems to understand the operation and impact of the tax agent services regime. In particular, the information sheet:

* provides guidance on situations that may or may not require providers to register with the TPB as a tax or BAS agent; and
* outlines procedures and processes that software providers need to have in place (where relevant) to ensure that they are not regarded as providing a tax agent services.

Therefore it is important for all software providers to be aware of the requirements of the TASA and, if appropriate, comply with the obligations that exist within it.

<http://www.tpb.gov.au/TPB/Publications_and_legislation/Board_policies_and_explanatory_information/TPB/Publications_and_legislation/I/0251_TPB_I__9_2011_Software_developers.aspx>

Benefits of implementing ATO SBR services

* Ensures your product is integrated with the latest service offerings from the ATO, with streamlined business-to-government financial reporting and non-financial obligations, ensuring the lodgment process is as error free as possible.
* Some SBR services now provide the ability to retrieve tax payer information from the ATO making it easier for software users to populate their software with client data.
* Individual tax returns are able to be lodged for 2014 onwards, and for prior years in the ELS format that is transmitted in an SBR ‘wrapper’.
* Individual Income Tax Return pre-fill is available via SBR that can be used to provide data directly to a BMS. For more information please see the Pre-fill IITR Business Implementation Guide for the appropriate year [here](http://www.sbr.gov.au/software-developers/developer-tools/ato/income-tax-returns-itr2/individual-income-tax-returns-iitr).
* BAS Agents will have access to [Client Update](http://www.sbr.gov.au/software-developers/developer-tools/ato/client-management-cm2#CU) services and [Tax Practitioner Client Management Reports](http://www.sbr.gov.au/software-developers/developer-tools/ato/client-management-cm2#TPCMR).
* Tax Agent Portal and BAS Agent Portal functionality such as establishing client relationships, checking income tax lodgment status (tax agents only) and updating client details is now available for BMS consumption.
* Some Client Update services are now available for businesses whereas previously only tax agents could use this functionality. See the [Client Update Business Implementation Guide](http://www.sbr.gov.au/software-developers/developer-tools/ato/client-management-cm2#CU) for more information.
* Super Funds and Businesses will be able to comply with the reporting standards prescribed in the Superannuation Data and Payment Standards 2012 Legislative Instrument for the reporting of super data and payments.

Taxonomy

The SBR AU Taxonomy is a collection of definitions and reports used to fulfil reporting obligations by Australian businesses to government agencies via SBR enabled software.

**Definitional Taxonomy**

The Standard Business Reporting (SBR) Taxonomy is a collection of items (data elements) that may be required to be reported by business to government agencies. Like a dictionary, these data elements are classified and defined in the SBR AU (Definitional) Taxonomy.

The dictionary of agreed data elements and their associated definitions is used in the creation of machine readable reports to be submitted by a business to agencies using SBR. The data elements are defined once and reused across multiple forms and multiple agencies. By reusing common data elements, businesses only need to understand and report to government on these data elements, therefore reducing the reporting burden for businesses.

SBR Taxonomy uses:

* [XBRL](http://www.sbr.gov.au/about-sbr/what-is-sbr/sbr-taxonomy/xbrl) - a financial reporting optimized XML language
* XML - a set of rules for encoding documents in a machine readable form
* JSON - an open-standard file format.

**Reporting Taxonomy**

SBR AU (Reporting) Taxonomy is the collection of specific agency XBRL 'reports' that use the data elements required to satisfy the business' reporting obligation to government agencies.

SBR agencies reuse the data elements required from SBR AU (Definitional) Taxonomy and provide extra information specific to that report. This extra information is the structure of how the data elements fit together and the context required for those elements to make sense in this report. To assist in understanding the data element in each report, agencies can include additional labels that provide agency specific context and structure relevant to that report. These labels are:

| **Term** | **Description / Usage** |
| --- | --- |
| Report Label | A plain English free text label that assists in the understanding of the data element within the context of the report. |
| Report Guidance | Provides specific guidance or instructions for the data element within the context of the report. The report guidance can clarify but not contradict what is provided in Business Definition and Data Element Guidance labels. |

Table 2: Additional context labels

Actions and Services Offered

There are a number of actions for use with multiple services in SBR-enabled software when interacting with the ATO:

| **Action** | **Role** | **Example** |
| --- | --- | --- |
| List | Allows the user to request and retrieve list-based data (such as obligations to be fulfilled or summaries of previous lodgements). | A list of activity statement obligations for an entity based on their ABN. |
| Pre-fill | Allows the user to request and retrieve information known to the agency responsible for a report. | Generated activity statement with pre-filled information. |
| Pre-Lodge | Allows the user to perform a “pre-lodgement” call – this performs functions such as providing the results of complex agency calculations or checking the validity of information prior to lodgement, depending on the business scenario. | Validation of data against channel and (where applicable) backend errors, but where no client details are updated. |
| Lodge | Allows the user to lodge a report to an agency. | Lodging the activity statement and where the data is accepted, the obligation is met. |
| Update | Allows the user to update information held by the receiving agency. | Updating client information such as a postal address. |
| Add | Allows the user to initiate a request for the receiving agency to perform. | Add a direct debit payment to be made. |
| Cancel | Allows the user to cancel a previously requested action. | Cancel a direct debit request. |
| Get | Allows users to obtain details of a particular product. | Get details of a superannuation product. |
| Submit | Allows the user to submit information to an agency. | Not applicable – self evident. |
| Validate | Allows the user to validate the information within the service without any client information being updated. | Not applicable – self evident. |
| Calculate | Allows the user to make calculations for an account. | Calculating a payment schedule for an eligible account. |

Table 3: Actions available in SBR

The degree to which each service is used as part of completion of a particular reporting obligation varies, with not all services necessarily being involved for every obligation.

See the [ATO Service Registry](http://www.sbr.gov.au/__data/assets/file/0020/44390/ATO-Service-Registry.xlsx) to identify the actions used by SBR services.

What’s New in SBR ebMS3

SBR ebMS3 introduces two key changes from SBR, including new messaging capability and additional ATO forms, services and business reports. There is no intention to introduce new services in the SBR Core Services channel, however the current services continue to be supported.

### New Messaging Capability

SBR ebMS3 is a new technical platform on which messages are exchanged between the SBR enabled software and the receiving SBR agency. For example, using a postal analogy, the delivery of a message is changing from a white envelope (SBR Core Services) to a yellow envelope (SBR ebMS3), with the contents remaining relatively unchanged.

* **SRP (Single Request Processor):**

A message containing one report will be received at the channel by the single request processor.

The enhanced message capability will allow singles messages to interact almost instantaneously with ATO backend systems, with response messages made available almost instantaneously.

* **BRRP (Batch and Bulk Request Processor):**

A message containing more than one report will be received at the channel by the batch and bulk request processor.

For more information, please refer to [Message types and error handling](#Section4)**.**

### Services available in each SBR channel

SBR services, including applicable schedules, are available in either SBR Core Services or SBR ebMS3 channels.

See the [ATO Service Registry](http://www.sbr.gov.au/__data/assets/file/0020/44390/ATO-Service-Registry.xlsx) to identify the channels available for SBR services.

# **Access**

* 1. Obtain and Install an AUSkey

AUSkey is an identification authentication credential that allows users to access and send business information to Government agencies online. This simplifies the way users can interact with Government, from changing their Australian business number (ABN) details to lodging their business activity statement (BAS).

There are three types of AUSkey available – an Administrator, Standard or Device AUSkey.

* Administrator AUSkey
  + An Administrator AUSkey gives users the ability to [manage](https://abr.gov.au/AUSkey/Managing-AUSkeys/) all AUSkeys linked to the ABN, including their own.
  + An Administrator AUSkey, can:
    - update or cancel all AUSkeys
    - register other Administrator or Standard AUSkey users
    - approve requests for Standard AUSkeys
    - obtain [additional AUSkeys](https://abr.gov.au/AUSkey/Managing-AUSkeys/Use-AUSkey-on-another-computer) for users to use on other computers
    - register a [Device AUSkey](https://abr.gov.au/AUSkey/Managing-AUSkeys/Device-AUSkeys/) for the users’ business.
* Standard AUSkey
  + A Standard AUSkey, can:
    - manage user’s own AUSkey
    - obtain [additional AUSkeys](https://abr.gov.au/AUSkey/Managing-AUSkeys/Use-AUSkey-on-another-computer) to use on other computers
    - manage a [Device AUSkey](https://abr.gov.au/AUSkey/Managing-AUSkeys/Device-AUSkeys/) if the user is the Custodian.
* Device AUSkey
  + Identifies a business rather than a person. It is usually installed on a server. With the exception of the nominated custodian for the Device AUSkey, users do not have to obtain their own AUSkey.

Prior to performing any ATO interactions using SBR-enabled software, all users must obtain and install an AUSkey. Without an AUSkey, users will not be able to be authenticated through SBR-enabled software. All users will also need to obtain an ABN before requesting an AUSkey. Access to these services can be done independently from SBR-enabled software.

|  |  |
| --- | --- |
| attention_pms | More information on Device AUSkeys can be found[here](https://abr.gov.au/AUSkey/Managing-AUSkeys/Device-AUSkeys/) |

* 1. Access Manager

Access Manager (AM) is the ATO’s authorisation service for its online services and those services integrated with SBR-enabled software.

It provides businesses and tax practitioners with the ability to control the types of activities and transactions that their staff can undertake.

To use this service as an administrator, a user must be an Administrator AUSkey holder or a Standard AUSkey holders who has been provided admin access by the relevant business.

Access Manager will allow authorised users to:

* View authorised credential holders
* Authorise new credential holders
* Assign and modify credential holder permissions
* Modify authorised staff permissions
* Confirm - remove authorisation.



Figure 1: Access Manager authentication and authorisation

|  |  |
| --- | --- |
| attention_pms | More information on Access Manager can be found [here](https://am.ato.gov.au/amsupport/pages/SiteMap.htm). |

### Authentication and Authorisation

**All users**

For most SBR request messages, the ATO will validate that the sender is authorised to perform the requested action for the reporting party.

The checking will compare the identity and permissions associated with the AUSkey against the identity provided in the business document for the reporting party.

If the sender is acting in their role as an agent, then a registered agent number must also be provided otherwise authorisation will fail.

If authorisation fails, then a response message communicating this will be returned with an appropriate SBR Error Code.

**Intermediaries**

If the sender is interacting on behalf of another entity (that is, as an intermediary third party), then the sender (or the entity itself) must register an ‘intermediary-reporting party’ relationship in Access Manager.

Access Manager administrators have the ability to provision access and permissions to intermediaries, establishing an ‘intermediary-reporting party’ relationship. This will allow an intermediary to access ATO information online or via SBR-enabled software and undertake various activities on the entity’s behalf.

|  |  |
| --- | --- |
| attention_pms | Recognised taxation intermediaries (that is registered agents) must create their own ‘intermediary reporting party’ relationship using their software or portal access. Businesses should not distribute AUSkey logins to these types of intermediaries. |

# **Message Types and Error Handling**

* 1. Request Message Types

There are three types of request messages supported by SBR:

|  |  |
| --- | --- |
| **Message type** | **Description** |
| Single lodgment | A transaction containing one record. |
| Intermediate batch | A batch transaction containing up to (and including) 1,000 records. |
| Large batch | A batch transaction exceeding 1,000 records. |

Table 4: Request message types

For the three message types, one can expect certain behaviours regarding the response messages to the respective request message:

|  |  |
| --- | --- |
| **Message type** | **Expected behaviour** |
| Single lodgment | One business response, channel and ATO system messages combined into one report. |
| Intermediate batch of up to (and including) 1,000 records | One business response, channel and ATO system messages combined into one report.  If an error triggers at the channel for any of the records, the remaining records are sent to ATO systems for validation following which, the outcomes are combined. |
| Large batch of over 1,000 records | Potential to receive two business responses:   * Channel validation report * ATO system response – depending upon outcome of channel validation. |

Table 5: Message type behaviour

* 1. Response Message Types

There are three types of response messages that may be returned to the SBR-enabled software:

| **Severity** | **Description** | **Source** |
| --- | --- | --- |
| Error | * Data has triggered a fatal error. * Transaction cannot be accepted until error has been fixed. | Channel  ATO systems |
| Warning | * Data may be incomplete or incorrect. * Transaction can be accepted. | Channel  ATO systems |
| Information | * A business response, such as the outcome of a lodgment, to the transaction. | Channel  ATO systems |

Table 6: Response message types

The error and information messages from the backend system are only provided where validation at the channel layer has been successful.

There is no mandate on what information from the business response is to be displayed to the user. However, most of the short and detailed messages have been designed to help the user rectify the error.

Some services also contain within the business response a reference number or identifier to enable future interactions with the ATO. For example the Direct Debit and Private Ruling services will respond with a Business Event Tracking (BET) number. The Activity Statement List interaction will return a document identification number (DIN) for a due BAS lodgment. The DIN can then be provided in a prefill request to recieve data for a specific BAS.

* 1. Response Times

Response times are based on the message type. For more indicative information, please refer to the **ATO Common Message Implementation Guide**. The guide is available from the [SBR website](http://www.sbr.gov.au/software-developers/developer-tools/ato/), under ATO Common Artefacts found by viewing the service artefacts.

* 1. Validation – SBR Core Services vs. SBR ebMS3

The update from the SBR core services platform to the ebMS3 platform has seen changes in the validation phases applied at the channel layer.

### SBR Core Services validation

Validation in SBR is applied in phases. Validation will not progress to the next phase until the current phase completes successufully.

Following successful authentication, authorisation, and XBRL validation, the phases based on rule type are as follows:

1. Message Header checks
2. XBRL validation
3. XBRL contexts, formats, data types, lengths and enumerations
4. presence of mandatory fields (elements)
5. cross-field rules, calculations, comparisons, common module rules
6. cross-form (cross product) rules
7. warnings (for data that *may* be incorrect or incomplete).

### SBR ebMS3 validation

Validation on the SBR ebMS3 platform is applied in 3 key phases:

1. ebMS header
   * checking the **envelope.**
2. XBRL/JSON/XML schema
   * checking the **letter** in the envelope is in the correct format.
   * mandatory fields, data types and field length of the data are validated here.
3. Schematron validation
   * checking the **content** of the letter is as expected, as well as the cross field validations, calculations and other complex checks.

Data is only transferred to the ATO system when all rules across all phases are passed. The presence of errors will stop lodgment progressing to the ATO system for interactive validation. The presence of warning messages (only) will not prevent the data from progressing through to the ATO system for interactive validation. All messages (error and warning) are provided to the user via the business outcome response at the end of the channel validation process.

* 1. Error Handling

A transaction received via SBR ebMS3 has the potential to be validated at two layers. These are:

1. Channel Validation
   * a set of rules the data being received is validated against at the channel layer.
2. Interactive Validation
   * A set of rules the data being received is validated against in the ATO receiving system; this validation can also occur against data already stored in the ATO system and against the client’s record.
   * Interactive validation only occurs once all the data in the message passes channel validation.

Response messages will be available for the user for both the channel and interactive validation.

The response message where the interactive validation has been envoked will inform the user if:

* The message request has been accepted and subsequently actioned or received for processing; or
* The message request has been rejected with details of the error on why the message was not accepted.

The messages returned by ATO systems via SBR have been designed to assist users in rectifying an issue.

Internal system errors can be identified as the error code is prefixed with the letters ‘EM’ as follows: CMN.ATO.[service].EMxxxxxx. The ‘EM’ designation differentiates these messages from the channel validation messages. An example of this for the IITR service would be CMN.ATO.IITR.EM123456.

Where an error has occurred that prevents processing of the message in ATO systems and the user is unable to correct it themselves, a generic error message will be returned including an internal code in the short message for a user to reference when communicating the issue to ATO staff. For example, CMN.ATO.GEN.EM0005. The numeric ‘(99999)’ code in the short message is the number the user can quote to ATO staff to try to resolve the issue.

Below is an example of this response:

<tns:Error.Code>CMN.ATO.GEN.EM0005</tns:Error.Code>

<tns:Severity.Code>Error</tns:Severity.Code>

<tns:Short.Description>An unexpected error has occurred, try again. If problem persists, contact the ATO. Error code {Code}</tns:Short.Description>

<tns:Parameters><tns:Parameter><tns:Parameter.Identifier>Code</tns:Parameter.Identifier>

<tns:Parameter.Text>1:1:</tns:Parameter.Text>

It is recommended that none of the message content is overwritten by a software product returning error messages, as this will make it difficult for ATO staff to assist users in dealing with the issue.

See the [ATO Service Registry](http://www.sbr.gov.au/__data/assets/file/0020/44390/ATO-Service-Registry.xlsx) to identify which SBR services support interactive validation.

# **Design Considerations**

* 1. Using the Additional Information element

SBR incorporates an ‘additional information’ element as part of the message definition of Non Individual Income Tax Return and Individual Income Tax Return forms. This was previously known as ‘Schedule A’ in ELS. It provides users with the ability to provide supplementary information necessary to process a return or assessment.

When a return or assessment is received by the ATO with information held within the additional information field, the return is referred to internal ATO staff to assess the content manually. Each return is reviewed before processing can continue.

|  |  |
| --- | --- |
| attention_pms | The presence of information in the ‘additional information’ element may slow up the finalisation of the Income Tax return. |

While validation cannot control what information is provided in the additional information element, below is some advice users can follow to ensure returns lodged with the field are processed without unwarranted delays:

* Free text content should be clear, concise and necessary to determine the outcome of the assessment for the return being lodged, and should only be used under the correct circumstances. Information entered that does not meet these criteria will result in processing delays.
* Software developers are encouraged to consider providing a ‘help’ or informational message concerning use of this field for the benefit of tax agents.

The following are key examples of where the field should be used, the type of business information that should be included, and the quality, tone and language of the information.

**Examples of helpful scenarios:**

| **Scenario** | **Additional information element content** |
| --- | --- |
| The client is electing to withdraw from Primary Production averaging provisions. | My client hereby elects to withdraw from the primary production averaging provisions from the 2015 financial year. |
| The client is in receipt of a lump sum payment in arrears in the current year. | My client received a lump sum payment for $xx for financial year 20xx. This is to be calculated as a tax offset. |
| The health insurer ID code of ‘other’ has been entered as the fund cannot be identified in the dropdown menu. | The name of the health fund is ABC healthy 123 Ltd. |

Table 7: Examples of helpful free text scenarios

For further information on the additional information field, see the [ATO website](https://www.ato.gov.au/Tax-professionals/Prepare-and-lodge/Tax-Time-2017/Before-you-lodge/Prevent-delays-in-processing-returns/#TaxTime_Before_Situations_MR).

* 1. Taxpayer Declarations

Every time a tax agent lodges a return, notice, statement, application or other document in an approved form on behalf of their client, the law requires the agent to have first received a signed written declaration from the taxpayer.

The taxpayer can chose to provide this declaration electronically, as supported by section 9 of the Electronic Transactions Act 1999 (ETA), via email or by fax, or may sign a paper declaration provided to them by their tax practitioner.

Taxpayers are required to retain the declaration (or a copy) for up to five years, depending on their circumstances. The ATO recommends that an agent should also keep a copy of the declaration for their own records.

Developers of SBR-enabled software products may assist agents by providing a printable version of the taxpayer declaration within their products.

Below is a list of approved forms where suggested wording for a declaration has been provided in the **ATO Taxpayer Declaration Guide:**

* Activity statements (AS)
* Annual tax file number withholding report (CHTWTHHLD)
* Application for refund of franking credits for individuals (RFC)
* Client Update (CUADDR only)
* Company tax return (CTR)
* Country-by-Country Report (CbCR)
* Family trust election or revocation (FTER) – standalone and schedule
* Fringe benefits tax return (FBT)
* Fund income tax return (FITR)
* Individual income tax return (IITR)
* Interposed entity election or revocation (IEE) – standalone and schedule
* Notification of formation of an income tax consolidated group (CGNFT) – including the modification of membership notification
* Partnership tax return (PTR)
* PAYG payment summary – statement (PS) \*
* Private ruling application (PR)
* Self-managed superannuation fund annual return (SMSF)
* Tax file number declaration (TFND) \*
* Tax file number report (CHTWTHHLD), and
* Taxable payments annual report (TPAR) \*
* Trust tax return (TRT)
* Trust tax return for Attribution Managed Investment (TRTAMI).

\* SBR Core Services channel only

The guide is available from the [SBR website](http://www.sbr.gov.au/software-developers/developer-tools/ato/), under ATO Common Artefacts found by viewing the service artefacts.

The below diagram depicts a general flow of events and the declarations in play between the taxpayer, the Tax Practitioner and lodgment via SBR.



Figure 2: Context of declarations

* 1. Prior Year Returns via SBR eBMS3

A solution is available for software developers wishing to lodge returns using what the ATO has defined as an ‘ELS tag format’ for prior years. This enables a legacy ELS message to be delivered to the SBR channel in ebMS3 envelope.

The obligations that can be lodged using the *ELStagFormat* service are:

* Individual Income Tax returns (Form EI) and associated schedules (from 1998)
* Individual Amendments (Form AI) and associated schedules (1998-2010)
* Company Income Tax returns (Form EC) and associated schedules (from 1998)
* Superannuation Fund Income Tax returns (Form EF) and associated schedules (from 1998)
* Trust Income Tax returns (Form ET) and associated schedules (from 1998)
* Partnership Income Tax returns (Form EP) and associated schedules (from 1998)
* Fringe Benefits Income Tax returns (Form EB) and associated schedules (2002 to 2016 only)
* Self Managed Super Fund Income Tax returns (Form MS) and associated schedules (from 2008)
* Version 01 Excess Concessional Contributions Choice (Form EY)
* 30% Child Care Tax Rebate (Form CR).

For more information on the ELS tag format see the A06\_DIS\_SBR specification on the ATO [software developer’s website.](http://softwaredevelopers.ato.gov.au/ELSspecification)

For more information on the implementation of the *ELStagFormat* message, see the [Common Message Implementation Guide](http://www.sbr.gov.au/__data/assets/file/0013/43060/ATO-Common-Message-Implementation-Guide.docx).