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| Standard Business ReportingAustralian Taxation Office – Private Ruling 2015 (PR.0001)Business Implementation Guide Date: 25 February 2016 Final – suitable for use |
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|  | For further information or questions, contact the SBR Service Desk at SBRServiceDesk@sbr.gov.au or call 1300 488 231. International callers may use +61-2-6216 5577 |

VERSION CONTROL

| **Version** | **Release date** | **Description of changes** |
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| 0.2 | 09/07/2015 | Updated with ATO feedback |
| 0.3 | 6/08/2015 | Draft for consultation |
| 1.0 | 10/09/2015 | Final version |
| 1.1 | 25/02/2016 | Section 5.1 Reference to “Tax office” changed to “ATO” |

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1. Introduction
	1. Purpose

The purpose of this document is to provide information that will assist software developers in understanding the business context surrounding the application for Private Ruling (PR) service. This interaction is performed with the Australian Taxation Office (ATO) through the Standard Business Reporting (SBR) platform.

This document defines the service that is available to apply for a private ruling, outlines which reporting parties can use the service and explains any constraints and known issues with the use of the service.

* 1. Audience

The audience for this document is any organisation that will be implementing the ATO PR services into their product. Typically this will be software application developers and business analysts.

* 1. Document Context

The ATO Private Rulings 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:

* Web service/platform information
* Message information e.g. ATO Message Implementation Guide, and
* Test information e.g. Conformance suites

See the SBR [high level document](http://www.sbr.gov.au/__data/assets/pdf_file/0018/41085/High-Level-Document-Map.pdf) map for the relationship of this document with others in the suite.

* 1. Glossary

For a glossary of terms, refer to the [SBR website](http://www.sbr.gov.au/software-developers/developer-tools/glossary).

1. What is The Private Ruling Service?

A private ruling is binding advice that sets out how a tax law applies to a taxpayer in relation to a specific scheme or circumstance. A private ruling can provide certainty to a taxpayer concerning the application of the law to their particular circumstance. A taxpayer provides the application including all relevant information so the ATO can provide the appropriate determination for a ruling. An edited version of the private ruling without identifying details is then added to the register of private binding rulings.

A taxpayer, be it individual or business, can apply for a ruling on their own behalf or using an intermediary. An ‘intermediary’ in this context is not necessarily a tax practitioner, but can be a relative, personal legal representative or executor of a deceased estate.

A private ruling can be applied for via the SBR channel but any further correspondence, whether to clarify information received in the application or to provide the ruling itself, cannot be delivered via the SBR channel.

* 1. Differences between ELS and SBR

There are two main differences between the PR service in SBR, and what was supported in ELS.

1. Attachments can be included in the application when submitted via SBR-enabled software.
	* Up to six attachments can be submitted with the PR request.
	* The file types supported are:

doc, pdf, rtf, xls, tif, jpg, bmp, png, gif, mpp, ppt, docx, dotx, xlsx, xltx, pptx, potx, ppsx.

Compressed zip files are not supported.

* + Each file cannot exceed 10MB.
1. Anyone with SBR-enabled software may submit an application.
	* A BAS agent can apply for a ruling on an income tax related subject, as long as they authorised by the taxpayer to do so. However, this does not give the BAS agent authority to act as a tax agent for the taxpayer.
	1. Interactions

|  |  |  |  |
| --- | --- | --- | --- |
| **Interaction** | **Short Description** | **Single** | **Batch** |
| *pr.lodge.request* | Lodge an application for private ruling | N | Y |

Table : Interactions available in SBR private ruling process

* 1. Channels

The Private ruling interaction is available in the following channels:

|  |  |  |
| --- | --- | --- |
| **Interaction** | **SBR Core Services** | **SBR ebMS3** |
| *pr.lodge.request* | N | Y |

Table : Channel availability of Private ruling interactions

1. Authorisation
	1. Intermediary Relationship

Applications for private rulings do not have an intermediary relationship check performed by the SBR platform. This check is not performed to allow:

1. Other business intermediaries the ability to submit private rulings for their clients, refer to Guidance for additional information
2. Multiple clients to be listed in the completed ruling application attachment where authorization checks are unable to be performed
3. Applications to be submitted for clients without a TFN or ABN, refer to Guidance for additional information

A manual check, of the authority of the intermediary to act on their behalf of the taxpayer, is performed by ATO staff as part of the private ruling process.

* 1. Access Manager

AUSkey and Access Manager are used to manage access and permissions for SBR web services. ATO systems will check that the initiating party is allowed to use the interaction that is received through the SBR channel.

For more information on Access Manager, see the [ATO website](https://www.ato.gov.au/General/Online-services/Access-Manager/). For further information on AUSkey, see the Australian Business Register’s [website](https://abr.gov.au/AUSkey/).

The table below displays the interactions available to each initiating party via SBR for an application for Private Ruling.

| **Service**  | **Interaction** | **Activity** | **Tax agent** | **BAS agent** | **Business** | **Business Intermediary** |
| --- | --- | --- | --- | --- | --- | --- |
| PR | *pr.lodge* | Submit an application for a private ruling | ✓ | ✓ | ✓ | ✓ |

Table : Parties able to use the PR service

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

|  |  |
| --- | --- |
| **Service** | **Access Manager Permission** |
| PR | Private Ruling |

Table : Access Manager Permissions

1. Constraints and Known Issues
	1. Constraints When Using This Service

The Private Ruling service has the following unique constraints:

|  |  |
| --- | --- |
| **#** | **Constraint** |
|  | Where the initiating party is not a tax practitioner, the private ruling can only be submitted for one taxpayer. |

Table : Constraints when using the Private Ruling interaction

* 1. Known Issues

**N/A**

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



Where an application is submitted for multiple taxpayers, a declaration must be received from each applicant.

For information on the retention of declarations and frequently asked questions, please refer to the [ATO website](https://www.ato.gov.au/Tax-professionals/Prepare-and-lodge/Managing-your-lodgment-program/Client-declarations---frequently-asked-questions-and-examples/).

* 1. Suggested Wording

|  |
| --- |
| **Privacy**The ATO is authorised by the *Taxation Administration Act 1953* to ask for the information on this application form. We need this information to help us respond to this private ruling application.**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. Private Ruling Service Guidance
	1. Client details
		1. ATO Reference Number

An ATO Reference Number (ARN) is used where the client is not entitled to either a TFN or ABN. An ARN may be used where an applicant is based overseas and using an intermediary based in Australia.

* + 1. Multiple Applicants

Private rulings where there are more than one applicant can only be submitted by a tax practitioner.

Up to 10 applicants can be included in the request message, any additional applicants must be provided in an attachment. In this case, the *Additional Client Indicator* (SBR alias: PR18) is to be set to true and the applicant’s ABN, TFN or ARN supplied.

* 1. Main contact details
		1. Correspondence

Though the fields are not mandatory within the message design, it is recommended that both the phone number and the email address of the main contact for the application be provided. These are the main avenues of contact with the ATO, especially where additional information for the application is required.

Provision of either contact details will not update the client register. To update any client register information, the relevant client update service needs to be invoked.

**Note**: The ruling determination of the application will not be sent by email where an address has been provided. The notice of decision and the edited version of the ruling is sent to the contact person in the ruling application - whether it is the taxpayer themselves or their representative. Only one copy is sent and is sent to the mailing address of the contact person.

* + 1. Contact position

Various professionals, in addition to tax practitioners, are able to submit application for private rulings via SBR-enabled software. Additional reference identifiers would be beneficial where the user is not a tax practitioner. Examples are per below:

|  |  |
| --- | --- |
| **Contact Position** | **Reference** |
| Financial Adviser | ABN |
| Legal representative | ABN |
| Tax Adviser | ABN |
| Liquidator | ABN |
| Self | No reference |
| Public Officer | No reference |
| Partner | No reference |
| Trustee | No reference |
| Other – to be described | ABN if held |

E.g. At *Contact position* (SBR alias: PR40) the element could contain “Financial Advisor ABN: 56 799 878 424”.

* 1. Application details
		1. Main Subject Area

Where the *Main Subject Area* (SBR alias: PR20) is Subject not covered, it is recommended that the subject of the ruling is provided in the *Questions and Issues* (SBR alias: PR21) element.

* + 1. Scheme or circumstance Facts

It would be beneficial in the progress of the application if the following information could be provided in the *Facts describing the scheme or circumstance* (SBR alias: PR22).

* If the applicant has received advice in regards to the application, who is not the main contact or tax practitioner submitting the application, details of who provided the advice.
* If there was any pre-lodgment or early engagement discussions with an ATO contact officer, details of this communication.
* If the application is in regards to an FBT ruling, indicate whether the application is on behalf of the employer.
	+ 1. Previous Ruling Reference numbers

If an intermediary chooses to enter previous ruling reference numbers, they should be related to a ruling on the same or a similar arrangement or scheme.

If a taxpayer has had a ruling made by the ATO unrelated to the topic of the current private ruling application, then the previous ruling reference number is not required.

* + 1. Supporting information

In order to progress the application it is recommended that the user include the following information as an attachment:

* Where the application is in relation to a trust, include a copy of the trust deed, any applicable amendments and relevant trustee minutes of resolution.
* Where the application is in relation to a specific transaction, include all documentation in relation to the transaction, e.g. agreements, contracts, etc.
* Inclusion of supporting financial information where applicable.
* Inclusion of all documentary evidence supporting the facts/contentions.