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| Standard Business Reporting  Australian Taxation Office –  Fund Income Tax Return 2018 (FITR.0006) Business Implementation Guide  Date: July 2018  Status: Final | |
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**ENDORSEMENT**

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1. Introduction
   1. Purpose

The purpose of this document is to provide information that will assist digital service providers in understanding the business context surrounding 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, and explains any constraints and known issues with the use of the interaction, providing 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 Fund income tax return
* Lodge an amendment to a Fund income tax return
* Lodge a Fund income tax return (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 2018 Fund income tax returns and the SBR ELStagFormat service for the years 1998-2016.

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

* 1. Audience

The audience for this document is any organisation that will be incorporating the ATO FITR interactions into their software products. Typically this will be digital service providers and business analysts.

* 1. Document Context

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 Service Registry (SR)
* test information, for example, conformance suites.

See the [ATO SBR Logical Artefact Map](http://www.sbr.gov.au/__data/assets/file/0016/44314/SBR-ATO-Site-and-Document-maps.xlsx) 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 are the Fund Income Tax Return 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 number of functions for lodgment of a fund’s reporting obligations. These include the lodgment of:

* The Fund Income Tax Return
* 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.



Figure 1: SBR interactions and FITR process

* 1. Schedules

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

| **Schedule** | **SBR collaboration** | **SBR Core Services** | **SBR ebMS3.0** |
| --- | --- | --- | --- |
| Non-Individual PAYG payment summary schedule | ato.pss.0002.2018.01.00 | Y | Y |
| Capital gains tax schedule | ato.cgts.0006.2018.01.00 | Y | Y |
| Losses schedule | ato.ls.0006.2017.01.00 | Y | Y |

Table 1: Valid schedules

For more information on the validation rules and circumstances that determine when a schedule should be used, please see the FITR message structure table and schedule structure tables, as well as the 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.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 2: 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 3: 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 does not 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 the Client Update Business Implementation Guide and Client Update Message Implementation Guide for further information.

* 1. AUSkey and Authentication

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

For further information on AUSkey, see the Australian Business Register’s [website](https://abr.gov.au/AUSkey/). For more information on Access Manager, see the [ATO website](https://www.ato.gov.au/general/online-services/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 | ✓ |  | ✓ | ✓ |
| *FITR.Lodge* | Lodge FITR for processing | ✓ |  | ✓ | ✓ |
| ELStagFormat | *ELStagFormat.*  *Lodge* | Lodge PTR for prior years as a SBR message using ELS tag format | ✓ |  |  |  |

Table 4: 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 5: Access Manager Permissions

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

Not Applicable.

* 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 Fund Income Tax Return.

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-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.

Please refer to 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 where this field contains content are processed without unnecessary 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 this criterion may cause processing delays.
* Digital Service Providers should consider whether a ‘help’ or informational message concerning use of this field would be beneficial for end users.

For further information on the additional information field, see the [ATO website](https://www.ato.gov.au/Tax-professionals/Prepare-and-lodge/Tax-Time-2018/Before-you-lodge/Prevent-delays-in-processing-returns/#TaxTime_Before_Situations_MR).

* 1. TFN and ABN algorithm validation

To obtain access to the algorithm to validate TFNs in a BMS product, refer to the ATO software developer page on this topic: <http://softwaredevelopers.ato.gov.au/obtainTFNalgorithm>.

For information on ABN validation see this page:<http://softwaredevelopers.ato.gov.au/ABNformat>.

* 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 Fund income tax returns correctly, only whole dollars should be shown (do not 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 should 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*.