|  |  |
| --- | --- |
| black_header_in_1cm | |
|  | |
| Standard Business Reporting  Australian Taxation Office –  Family Trust election, revocation or variation 2018 (FTER.0002)  Business Implementation Guide  Date: July 2018  Status: Final | |
|  | |
| This document and its attachments are **Unclassified** |  |
|  | For further information or questions, contact the SBR Service Desk at [SBRServiceDesk@sbr.gov.au](mailto: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** |
| 0.1 | 05/06/2018 | Draft for review and consultation for Tax Time 2018 |
| 0.2 | 12/06/2018 | Nil SME feedback received from review and consultation Draft version.  Document status changed:   * 2018 Draft   2.2 Parent Forms:  ATO Service Registry indicates Parent Form Schema Names as:   * ato.smsfar.0008.2018.01.00.report.xsd,and * ato.trt.0007.2018.01.00.report.xsd   Confirmation is required to ensure correct referencing. |
| 1.0 | 12/07/2018 | Final copy endorsed for publishing |

**ENDORSEMENT**

APPROVAL

Darron Jensz Director

Privately Owned and Wealthy Groups Strategy

Private Groups and High Wealth Individuals

Australian Taxation Office

David Baker Director

Project and System Support

Intermediaries and Lodgment

Australian Taxation Office

**COPYRIGHT NOTICE**

© Commonwealth of Australia 2018 (see exceptions below).  
This work is copyright. Use of this Information and Material is subject to the terms and conditions in the "SBR Disclaimer and Conditions of Use" that is available at [http://www.sbr.gov.au](http://www.sbr.gov.au/). You must ensure that you comply with those terms and conditions. In particular, those terms and conditions include disclaimers and limitations on the liability of the Commonwealth and an indemnity from you to the Commonwealth and its personnel, the SBR Agencies and their personnel.   
   
You must include this copyright notice in all copies of this Information and Material that you create. If you modify, adapt or prepare derivative works of the Information and Material, the notice must still be included but you must add your own copyright statement to your modification, adaptation or derivative work that makes clear the nature of your modification, adaptation or derivative work and you must include an acknowledgement that the adaptation, modification or derivative work is based on Commonwealth or SBR Agency owned Information and Material. Copyright in SBR Agency specific aspects of the SBR Reporting Taxonomy is owned by the relevant SBR Agency.

**TABLE OF CONTENTS**

[1. Introduction 5](#_Toc517961008)

[1.1 Purpose 5](#_Toc517961009)

[1.2 Audience 5](#_Toc517961010)

[1.3 Document Context 5](#_Toc517961011)

[1.4 Glossary 5](#_Toc517961012)

[2. What are the Family Trust Election, Revocation interactions? 6](#_Toc517961013)

[2.1 Where SBR fits into FTER lodgment obligations 6](#_Toc517961014)

[2.2 Parent forms 7](#_Toc517961015)

[2.3 Interactions 7](#_Toc517961016)

[2.4 Channels 7](#_Toc517961017)

[3. Authorisation 8](#_Toc517961018)

[3.1 Intermediary Relationship 8](#_Toc517961019)

[3.2 AUSkey and Access Manager 8](#_Toc517961020)

[4. Constraints and Known Issues 9](#_Toc517961021)

[4.1 Constraints When Using This Service 9](#_Toc517961022)

[4.2 Known Issues 9](#_Toc517961023)

[5. Taxpayer Declarations 10](#_Toc517961024)

[5.1 Suggested wording 10](#_Toc517961025)

[6. FTER Guidance 11](#_Toc517961026)

[6.1 TFN and ABN algorithm validation 11](#_Toc517961027)

[Table 1: Valid parent forms 7](#_Toc462055633)

[Table 2: FTER interactions 7](#_Toc462055634)

[Table 3: Channel availability of FTER interactions 7](#_Toc462055635)

[Table 4: FTER Permissions 8](#_Toc462055636)

[Table 5: Access Manager Permissions 8](#_Toc462055637)

[Figure 1: SBR interactions and Family trust election process 7](#_Toc462055638)

1. Introduction
   1. Purpose

The purpose of this document is to provide information to assist digital service providers in understanding the business context surrounding Family Trust election, revocation or variation (FTER) interactions. These interactions are performed with the Australian Taxation Office (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, and explains any constraints and known issues with the use of the interaction, providing guidance with certain identified issues.

The Family Trust election, revocation or variation 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.
  1. Audience

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

* 1. DOCUMENT CONTEXT

The ATO FTER 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 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, a variation or a revocation. The schedule must accompany a valid parent form.

For more information, refer to the [ATO Website](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 provides a number of functions for governance towards of the trust’s reporting obligations.

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



Figure 1: SBR interactions and Family trust election process

* 1. Parent forms

An FTER schedule, to report either an election, variation of revocation to a FTE must accompany a parent form which is being used to report the entity’s income/loss for the income year. Valid parent forms are:

| **Parent form** | **SBR collaboration** | **SBR Core Services** | **SBR ebMS3.0** |
| --- | --- | --- | --- |
| Self-managed superannuation fund annual return (SMSFAR) | smsfar.0008.2018.01.00 | Y | Y |
| Trust tax return (TRT) | trt.0007.2018.01.00 | Y | Y |

**Table 1: Valid parent forms**

For more information on the validation rules and circumstances that determine when a schedule should be used, please see the message structure table and schedule structure tables, as well as the validation rules of the schedule and parent form.

* 1. Interactions

The FTER lodgment process could consist of the following interactions:

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

Table 2: FTER interactions

* 1. Channels

The FTER interactions are available in the following channels:

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

Table 3: Channel availability of FTER interactions

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.

|  |  |
| --- | --- |
| attention_pms | The tax agent to taxpayer relationship is a fundamental precondition to interacting with SBR for FTER 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 intermediary and the taxpayer. See the Client Update Business Implementation Guide and Client Update Message Implementation Guide for further information.

* 1. AUSkey and Access Manager

AUSkey and Access Manager are used to 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 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 FTER.

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

Table 4: FTER Permissions

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:

| **Service** | **Access Manager Permission** |
| --- | --- |
| FTER | Family Trust Election, Revocation   * *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.

|  |  |
| --- | --- |
| attention_pms | 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 a Family trust election, revocation or variation.

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 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

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**](http://softwaredevelopers.ato.gov.au/obtainTFNalgorithm).

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