

28 May 2014

Dear RSE licensee,

### **TRUSTEE RESPONSIBILITIES ARISING FROM CERTAIN SUPERSTREAM RELATED MEASURES**

The Australian Tax Office (ATO) and Australian Prudential Regulation Authority (APRA) have been working closely with a range of industry stakeholders to ensure a smooth and effective implementation of the Superannuation Data and Payment Standards 2012 ('the Standard'). This letter details several aspects of what is expected of RSE licensees.

Whilst licence holders are expected to take reasonable steps to comply with the Standard by the required dates (see appendix 1), it is acknowledged that RSE licensees may enhance their approaches to meeting these new requirements over time.

#### **Commencement dates**

From 1 July 2014, Registrable Superannuation Entities (RSEs) must have the capability to electronically receive member registration data and contributions, including payments as specified in Regulations 7.07A and 7.07E of the Superannuation Industry (Supervision) Regulations (1994) (SIS Regulations). From 3 November 2014, most RSEs are expected to be ready to receive contributions in the new SuperStream compliant format. It is expected that the pace of change will pick up quickly from this point as service providers begin to send significant volumes of SuperStream messages to both default and choice funds.

Where an RSE does not expect to be ready to comply with the Standard by 3 November 2014 the RSE licensee must notify the ATO by 30 September 2014 of its proposed alternative start date which must be no later than 1 July 2015. Such notification to the ATO must be accompanied by the licensee's implementation plan. To assist in this process, the ATO intends to publish guidance on what is expected in the implementation plan.

#### **Three day processing of contributions**

RSE licensees are reminded that an important part of the SuperStream reforms is the requirement in r.7.07H of the SIS Regulations, whereby if an RSE licensee accepts a contribution and receives it in accordance with the Standard it must be allocated to the respective member's account within 3 business days.

It is recognised that the requirement to send or receive error and outcome messages will not commence before 2 February 2015, whilst full solutions are developed and implemented which may impact on a fund's ability to process contributions in a timely manner.

#### **Use of the Fund Validation Service**

It is a requirement under s.34Z of the Superannuation Industry (Supervision) Act 1993 (SIS Act) for RSE licensees to provide the information prescribed in r.3B.03 of the SIS Regulations to the ATO for inclusion in the Fund Validation Service.

The ATO has recently written to all RSE licensees setting out obligations to provide additional data. The process for providing this data, as necessary, should be a straightforward exercise as it will be similar to the process adopted when providing product and bank account details for processing rollovers.

### **Use of SuperTICK**

Another SuperStream requirement for RSE licensees is to validate member details under r.7.07B(2) of the SIS Regulations if an employer sends initial registration information or a first contribution within three business days of receiving the information.

The ATO has created the SuperTICK service for the purposes of r.7.07B(2) and the use of SuperTICK is mandatory, unless an employer has contributed to an RSE for a member prior to 1 July 2014. It is recognised that until an RSE reaches its alternative start date, the use of SuperTICK may not be fully integrated into an RSE licensee's processes.

### **Breach reporting**

APRA is the agency responsible for administering those sections of the SIS Act that require RSE licensees to comply with the Standard. APRA recognises that compliance with the Standard in respect of contributions and member registration is a new obligation and that practices are likely to evolve over time.

While APRA encourages RSE licensees to comply with the requirements as soon as possible, APRA does not expect failure to comply with these requirements to be reported as a breach prior to 1 July 2015.

From 1 July 2015, APRA's response to breaches will be similar to its general compliance and enforcement approach which is to work with the RSE licensee to ensure the appropriate actions are taken to address any shortcomings in their processes. Should this approach not satisfactorily resolve the matter, APRA has available to it a range of regulatory tools that it may utilise should that be necessary.

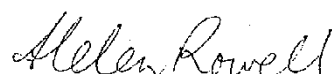
We encourage you to engage with your employers and members and let them know of any changes in details and to keep the ATO and APRA notified of progress and any issues that may arise.

For more information about the Standard visit <http://www.ato.gov.au/superstream> or email [SuperStreamStandards@ato.gov.au](mailto:SuperStreamStandards@ato.gov.au).

To discuss any issues relating to compliance with aspects of SuperStream, contact your APRA responsible supervisor.



Alison Lendon  
Deputy Commissioner  
Superannuation  
Australian Taxation Office



Helen Rowell  
Member  
Australian Prudential Regulation Authority

**APPENDIX 1: CONTRIBUTIONS TRANSITION-IN ARRANGEMENTS**

<b>For the period 1 July 2014 until 2 November 2014</b>	Medium and large employers can send your RSE employee registration and contribution messages in any electronic format that you have advised the RSE can accept, provided the contribution payment is made electronically.
<b>On and after 3 November 2014</b>	Ensure your RSE is able to receive contributions transaction messages that comply with the Standard, unless you have notified the ATO of an alternative start date (no later than 1 July 2015) by 30 September 2014.
<b>Before 30 September 2014</b>	Notifications for an alternative start date must be made to the ATO by the RSE licensee.
<b>On and after 3 November 2014 and until 30 June 2017</b>	Medium and large employers can send your RSE contributions transaction messages in an electronic file format that does not conform to the Standard provided the employer and your RSE agree in writing and the conditions of paragraph 4.2(b) of Schedule 1 to the Standard are satisfied.
<b>From 2 February 2015</b>	Error messaging commences for RSEs sending SuperStream compliant messages.
<b>From 1 July 2015</b>	Breach notification for failure to comply with SuperStream requirements to be reported to APRA in accordance with s.29JA of the SIS Act.
<b>On and after 1 July 2015 and until 30 June 2017</b>	Small employers can send contributions transaction messages in an electronic file format that does not conform to the Standard provided the employer and your RSE agree in writing and the conditions of paragraph 4.2(c) of Schedule 1 to the Standard are satisfied.