



# Reporting Standard SRS 706.0

## Fees and Costs Disclosed

### Objective of this reporting standard

This Reporting Standard sets out requirements for the provision of information to APRA relating to the disclosed fees and costs of superannuation products, investment menus and investment options.

It includes *Reporting Form SRF 706.0 Fees and Costs Disclosed* and associated specific instructions.

### Authority

1. This Reporting Standard is made under section 13 of the *Financial Sector (Collection of Data) Act 2001*.

### Purpose

2. Information collected under this Reporting Standard is used by APRA for the purposes of prudential supervision, publication and in fulfilling its requirements under section 348A of the *Superannuation Industry (Supervision) Act 1993*. Information collected under this reporting standard will also be used by ASIC in the conduct of its supervisory activities.

## **Application**

3. This Reporting Standard applies to each registrable superannuation entity (RSE) licensee (RSE licensee) in respect of each RSE, defined benefit RSE and eligible rollover fund (ERF) within its business operations<sup>1</sup>.

## **Commencement**

4. This Reporting Standard applies to reporting periods commencing on or after 30 June 2021.

## **Information required**

5. An RSE licensee must provide APRA with the information required by SRF 706.0 in respect of each reporting period.

## **Form and method of submission**

6. The information required by SRF 706.0 must be given to APRA in an electronic method (i.e. a web-based solution) available on APRA's website, or by a method notified by APRA in writing prior to submission.

*Note:* the 'SRF 706.0 reporting form' is obtained from APRA.

## **Reporting periods and due dates**

7. Subject to paragraph 8 of this Reporting Standard, an RSE licensee to which this Reporting Standard applies must provide the information required by this Reporting Standard in respect of each year ending 30 June.
8. If, having regard to the particular circumstances of an RSE, defined benefit RSE or ERF, APRA considers it necessary or desirable to obtain information more or less frequently than as provided by paragraph 7, APRA may, by notice in writing, change the reporting periods for the particular RSE, defined benefit RSE or ERF.
9. The information required by this Reporting Standard must be provided to APRA:
  - (a) in the case of annual information, within three months after the end of the year ending 30 June to which the information relates; and

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<sup>1</sup> For the purposes of this Reporting Standard, an 'RSE licensee's business operations' includes all activities as an RSE licensee (including the activities of each RSE of which it is the licensee), and all other activities of the RSE licensee to the extent that they are relevant to, or may impact on, its activities as an RSE licensee. For the avoidance of doubt, if the RSE licensee is trustee of more than one RSE, defined benefit RSE or ERF, the RSE licensee must separately provide the information required by the form for each RSE, defined benefit RSE or ERF within its business operations. An RSE licensee that does not have any RSEs, defined benefit RSEs or ERFs within its business operations is not required to provide information under this Reporting Standard.

- (b) in the case of information provided in accordance with paragraph 8, within the time specified by notice in writing.
10. Where any information required by this Reporting Standard that was reported to APRA on the most recent reporting day is changed such that the Product Disclosure Statement (PDS) is required by law<sup>2</sup> to be updated, the RSE licensee must provide the information required by SRF 706.0 within 28 calendar days after the updated PDS takes effect.
11. APRA may grant, in writing, an RSE licensee an extension of a due date with respect to one or more RSEs, defined benefit RSEs or ERFs within its business operations, in which case the new due date for the provision of the information will be the date on the notice of extension.

*Note:* For the avoidance of doubt, if the due date for a particular reporting period falls on a day other than a usual business day, an RSE licensee is nonetheless required to submit the information required no later than the due date.

### Quality control

12. The information provided by an RSE licensee under this Reporting Standard must be the product of systems, procedures and internal controls that have been reviewed and tested by the RSE auditor of the RSE, defined benefit RSE or ERF to which the information relates<sup>3</sup>. This will require the RSE auditor to review and test the RSE licensee's systems, procedures and internal controls designed to enable the RSE licensee to report reliable information to APRA. This review and testing must be done on:
- (a) an annual basis or more frequently if necessary to enable the RSE auditor to form an opinion on the reliability and accuracy of information; and
  - (b) at least a limited assurance engagement consistent with professional standards and guidance notes issued by the Auditing and Assurance Standards Board as may be amended from time to time, to the extent that they are not inconsistent with the requirements of *Prudential Standard SPS 310 Audit and Related Matters* (SPS 310).
13. All information provided by an RSE licensee under this Reporting Standard must be subject to systems, processes and controls developed by the RSE licensee for the internal review and authorisation of that information. It is the responsibility of the Board and senior management of the RSE licensee to ensure that an appropriate set of policies and procedures for the authorisation of information submitted to APRA is in place.

### Authorisation

14. When an officer or agent of an RSE licensee provides the information required by this Reporting Standard using an electronic format, it will be necessary for the officer or

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<sup>2</sup> Refer to Division 2 of Part 7.9 of the *Corporations Act 2001* for requirements relating to PDSs.

<sup>3</sup> Refer also to *Prudential Standard SPS 310 Audit and Related Matters* (SPS 310).

agent to digitally sign the relevant information using a digital certificate acceptable to APRA.

15. If the information required by this Reporting Standard is provided by an agent who submits on the RSE licensee's behalf, the RSE licensee must:
  - (a) obtain from the agent a copy of the completed form with the information provided to APRA; and
  - (b) retain the completed copy.
16. An officer or agent of an RSE licensee who submits the information under this Reporting Standard for, or on behalf of, the RSE licensee must be authorised by either:
  - (a) the Chief Executive Officer of the RSE licensee; or
  - (b) the Chief Financial Officer of the RSE licensee.

### **Minor alterations to forms and instructions**

17. APRA may make minor variations to:
  - (a) a form that is part of this Reporting Standard, and the instructions to such a form, to correct technical, programming or logical errors, inconsistencies or anomalies; or
  - (b) the instructions to a form, to clarify the application to the form, without changing any substantive requirement in the form or instructions.
18. If APRA makes such a variation, it must notify each RSE licensee that is required to report under this Reporting Standard.

### **Interpretation**

19. In this Reporting Standard:

**APRA** means the Australian Prudential Regulation Authority established under the *Australian Prudential Regulation Authority Act 1998*.

**Chief Executive Officer** means the chief executive officer of the RSE licensee, by whatever name called, and whether or not he or she is a member of the Board of the RSE licensee<sup>4</sup>.

**Chief Financial Officer** means the chief financial officer of the RSE licensee, by whatever name called.

**defined benefit RSE** means an RSE that is a defined benefit fund within the meaning given in *Prudential Standard SPS 160 Defined Benefit Matters*.

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<sup>4</sup> Refer to *Prudential Standard SPS 510 Governance*.

**due date** means the relevant due date under paragraph 9 or, if applicable, paragraph 10 of this Reporting Standard.

**eligible rollover fund** has the meaning given in section 10(1) of the SIS Act.

**reporting period** means a period mentioned in paragraph 7 or, if applicable, paragraph 8 of this Reporting Standard.

**RSE** means a registrable superannuation entity as defined in section 10(1) of the SIS Act that is not a defined benefit RSE, pooled superannuation trust, ERF, small APRA fund or single member approved deposit fund<sup>5</sup>.

**RSE auditor** means an auditor appointed by the RSE licensee to perform functions under this Reporting Standard.

**RSE licensee** has the meaning given in section 10(1) of the SIS Act.

**SIS Act** means *Superannuation Industry (Supervision) Act 1993*.

20. Unless the contrary intention appears, a reference to an Act, Prudential Standard, Reporting Standard or Australian Accounting Standard is a reference to the instrument as in force or existing from time to time.
21. Where this Reporting Standard provides for APRA to exercise a power or discretion, this power or discretion is to be exercised in writing.

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<sup>5</sup> For the purposes of this Reporting Standard, ‘pooled superannuation trust’ has the meaning given in section 10(1) of the SIS Act, ‘small APRA fund’ means a superannuation entity that is a regulated superannuation fund, within the meaning of the SIS Act, which has fewer than five members and ‘single member approved deposit fund’ means a superannuation entity that is an approved deposit fund, within the meaning of the SIS Act, and has only one member

### SRF 706.0 Fees and Costs Disclosed

1. Fees and costs arrangements

Fees and costs arrangement number (1)	Fees and costs arrangement type (2)	RG 97 version (3)	Eligible members (4)	Custom features (5)	Employer sponsors (6)	Member accounts (7)	Member assets (8)
	Standard	2017					
	Custom	2020					

2. Fees and costs disclosed

Fees and costs arrangement number (1)	Superannuation product number (2)	Investment menu number (3)	Investment option number (4)	Description (5)	Fees and costs component type (6)	Fees and costs component activity (7)	Investment charge type (8)	Activity fee type (9)	Frequency (10)	Tier Type (11)	Tier arrangement (12)	Tier number (13)	Tier lower bound (account balance) (14)	Tier upper bound (account balance) (15)	Dollar value (16)	Minimum charge (%) (17)	Maximum charge (%) (18)	Percentage value (% of balance) (19)	Minimum charge (\$) (20)	Maximum charge (\$) (21)	Number of free activities (22)
					Other fees and costs	Investment	Base	Advice fee	Annual	Flat											
					Fees deducted directly from member account	Administration	Performance linked	Buy-sell spread	Biannual	Marginal											
					Indirect costs	Transaction	Not applicable	Contribution fee	Quarterly	Not applicable											
					ICR	Advice		Contribution splitting fee	Monthly												
						Member activity		Dishonoured payment fee	Weekly												
								Establishment fee	Daily												
								Family law	Per activity												
								Financial advice	Other												
								Financial hardship application													

Insuran ce fee
Lost member search fee
Non- intrafun d advice fee
No-TFN tax recover y fee
Switchi ng fee
Withdra wal fee
Brokera ge fee
Other Not applica ble

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# Reporting Form SRF 706.0

## Fees and Costs Disclosed

### Instruction Guide

This instruction guide is designed to assist in the completion of *Reporting Form SRF 706.0 Fees and Costs Disclosed* (SRF 706.0). This form collects information on the fees and costs disclosed for superannuation products, investment menus and investment options. Information reported in SRF 706.0 is required primarily for prudential and publication purposes and for the purposes of section 348A of the SIS Act. Information reported in SRF 706.0 is also required for the purposes of the Australian Securities and Investments Commission.

### General directions and notes

#### Reporting level

SRF 706.0 must be completed for each *superannuation product*, *investment menu* and *investment option* within each RSE, defined benefit RSE and eligible rollover fund (ERF) within its business operations excluding the following:

- investment options which have been aggregated as permitted in Item 3 of *Reporting Form SRF 605.0 RSE Structure* (SRF 605.0);
- investment options which solely underlie defined benefits; and
- investment options which are reported on SRF 605.0 under investment option category Annuity.

Report fees and costs for the *superannuation product*, *investment menu* or *investment option* at which they arise or are incurred.

RSE licensees need to determine the appropriate reporting level for each of the applicable fees and costs depending on the structure of the RSE.

Fees and costs may be incurred at each RSE structure level, but may vary depending on the combination of RSE structure levels a member is in.

For example, it is expected that administration fees will generally be reported at a superannuation product level, platform fees may sometimes be reported at the investment menu level, while investment management fees will generally be reported at the investment option level. The investment management fee for an investment option may vary depending on which superannuation product the member is invested through.

Where the fee or cost is applicable to all members in the RSE structure level, the RSE licensee must report data for that RSE structure level and select 'ALL' for the remaining RSE structure levels.

Where the fee or cost varies depending on the combination of RSE structure levels, the RSE licensee must report data for each relevant combination of superannuation product, investment menu and investment option.

For example, an administration fee that applies across all investment menus and investment options within a superannuation product would be identified with the relevant superannuation product number to which it applies. The investment menu number and investment option number would be reported as 'ALL'.

Table 1 collects information on the specific fees and costs offered to members under standard fees and costs arrangements. Standard fees and costs arrangements refer to fees and costs available to members who do not qualify for alternative fees and costs arrangements that may have been negotiated with the RSE licensee. Alternative fees and costs arrangements are to be reported in Tables 2 and 3.

## Reporting basis and unit of measurement

Items on SRF 706.0 must be reported as at the end of the reporting period.

Unless otherwise instructed, report all items on SRF 706.0 in accordance with the RG 97 version indicated at Item 1.

All fees and costs reported on SRF 706.0 must be reported 'gross of tax obligations' where 'gross of tax obligations' refers to gross of income tax, GST and stamp duty consistent with the manner in which they are required to be disclosed in Product Disclosure Statements, where applicable.

This means the fees and costs must be reported prior to taking into account any benefit of a tax deduction relating to a fee that is passed on to a member either as a reduction in tax on contributions or through the deduction of a fee that is lower than what is reported to take account of the tax deduction.

Amounts in SRF 706.0 are to be reported as dollars and cents on a per member basis or percentages.

Percentages should be reported to 2 decimal places. For example, 10 per cent is to be reported as 10.00%.

These instructions specify the reporting basis, unit of measurement and look through basis that applies to each item.

## Definitions

Terms highlighted in ***bold italics*** in these Instructions indicate that the definition is provided in *Reporting Standard SRS 101.0 Definitions for Superannuation Data Collections* (SRS 101.0).

## Specific instructions

### Table 1: Fees and costs arrangements

Report each ***fees and costs arrangement*** in use within the RSE as at the end of the reporting period. Each ***fees and costs arrangement*** must be identified by a unique ***fees and costs arrangement number*** in Table 1. The fees and costs that relate to each arrangement are to be reported in Table 2.

<b>Column 1</b>	Report the <i>fees and costs arrangement number</i> for the <i>fees and costs arrangement</i> .
<b>Column 2</b>	Report the <i>fees and costs arrangement type</i> for the <i>fees and costs arrangement</i> (see item 1 for further details).
<b>Column 3</b>	Report the <i>RG 97 version</i> used to determine the fees and costs relating to the <i>fees and costs arrangement</i> (see item 1 for further details).
<b>Column 4</b>	Report the <i>eligible members</i> for the <i>fees and costs arrangement</i> .
<b>Column 5</b>	Report the <i>custom features</i> that relate to the <i>fees and costs arrangement</i> .  For <i>fees and costs arrangements</i> with a <i>fees and costs arrangement type</i> of 'Standard', this field should be left blank.
<b>Column 6</b>	Report the number of <i>employer sponsors</i> that the <i>fees and costs arrangement</i> applies to.
<b>Column 7</b>	Report the number of <i>member accounts</i> that the <i>fees and costs arrangement</i> applies to.
<b>Column 8</b>	Report the sum of <i>member assets</i> of the <i>member accounts</i> that the <i>fees and costs arrangement</i> applies to.

<b>Item 1</b>	<p>Report the <i>custom features</i>, number of <i>employer sponsors</i>, number of <i>member accounts</i> and <i>member assets</i> of the <i>member accounts</i> for each unique combination of:</p> <ul style="list-style-type: none"> <li>• <i>fees and costs arrangement number</i>;</li> <li>• <i>fees and costs arrangement type</i>;</li> <li>• <i>RG 97 version</i>; and</li> <li>• <i>eligible members</i>.</li> </ul> <p>The <i>fees and costs arrangement type</i> options are:</p> <ul style="list-style-type: none"> <li>• <i>standard</i>; and</li> <li>• <i>custom</i>.</li> </ul> <p>The <i>RG 97 version</i> options are:</p> <ul style="list-style-type: none"> <li>• <i>2017</i>; and</li> <li>• <i>2020</i>.</li> </ul>
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**Table 2: Fees and costs disclosed**

Report all fees and costs for all *fees and costs arrangements* within the RSE that are disclosed in a product disclosure statement (PDS), or would be disclosed in a PDS were one to be produced that covered the relevant *superannuation product, investment menu* or *investment option*.

<b>Column 1</b>	Report the <i>fees and costs arrangement number</i> that the fee or cost relates
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	to.
<b>Column 2</b>	Report the <i>superannuation product number</i> that the fee or cost relates to. The <i>superannuation product number</i> must correspond to a <i>superannuation product number</i> reported in SRF 605.0.  If the fee or cost incurred does not depend on the <i>superannuation product</i> , report 'ALL'.
<b>Column 3</b>	Report the <i>investment menu number</i> that the fee or cost relates to. The <i>investment menu number</i> must correspond to an <i>investment menu number</i> reported in SRF 605.0.  If the fee or cost incurred does not depend on the <i>investment menu</i> , report 'ALL'.
<b>Column 4</b>	Report the <i>investment option number</i> that the fee or cost relates to. The <i>investment option number</i> must correspond to an <i>investment option number</i> reported in SRF 605.0.  If the fee or cost incurred does not depend on the <i>investment option</i> , report 'ALL'.
<b>Column 5</b>	Report a brief description of the fee or cost.
<b>Column 6</b>	Report the <i>fees and costs component type</i> of the fee or cost (see item 2 for further details).
<b>Column 7</b>	Report the <i>fees and costs component activity</i> of the fee or cost (see item 2 for further details).  A fee or cost can only be characterised as being related to one component activity.
<b>Column 8</b>	Report the <i>investment charge type</i> for the fee or cost (see item 2 for further details).  For fees or costs where a <i>fees and costs component activity</i> other than <i>investment</i> has been reported, the <i>investment charge type</i> should be reported as <i>not applicable</i> .
<b>Column 9</b>	Report the <i>activity fee type</i> for the fee or cost (see item 2 for further details).  For fees or costs where a <i>fees and costs component activity</i> other than <i>member activity</i> has been reported, the <i>activity fee type</i> should be reported as <i>not applicable</i> .
<b>Column 10</b>	Report the frequency that the fee or cost is incurred (see item 2 for further details).

<b>Column 11</b>	Where the value of the fee or cost is dependent on a tiering structure, report the <i>tier type</i> , otherwise report <i>not applicable</i> (see item 2 for further details).
<b>Column 12</b>	Where the value of the fee or cost is dependent on a tiering structure, report the <i>tier arrangement</i> , otherwise report 0.
<b>Column 13</b>	Where the value of the fee or cost is dependent on a tiering structure, report the <i>tier number</i> , otherwise report 0.
<b>Column 14</b>	Where the value of the fee or cost is dependent on a tiering structure, report the <i>tier lower bound</i> , otherwise leave this field empty.  If there is no <i>tier lower bound</i> , this field should be left empty.
<b>Column 15</b>	Where the value of the fee or cost is dependent on a tiering structure, report the <i>tier upper bound</i> , otherwise leave this field empty.  If there is no <i>tier upper bound</i> , this field should be left empty.
<b>Column 16</b>	Report the <i>dollar value</i> of the fee or cost, where one exists, otherwise leave this field empty.
<b>Column 17</b>	Report the <i>minimum charge (%)</i> , where one exists, otherwise leave this field empty
<b>Column 18</b>	Report the <i>maximum charge (%)</i> , where one exists, otherwise leave this field empty
<b>Column 19</b>	Report the <i>percentage value (% of balance)</i> of the fee or cost, where one exists, otherwise report 0%.
<b>Column 20</b>	Report the <i>minimum charge (\$)</i> , where one exists, otherwise leave this field empty
<b>Column 21</b>	Report the <i>maximum charge (\$)</i> , where one exists, otherwise leave this field empty
<b>Column 22</b>	Report the <i>number of free activities</i> for the fee or cost.  For fees or costs where a <i>fees and costs component activity</i> other than <i>member activity</i> has been reported, this field should be left empty.

<b>Item 2</b>	Report the <i>tier lower bound</i> , <i>tier upper bound</i> , <i>dollar value</i> of the fee or cost, <i>minimum charge (%)</i> , <i>maximum charge (%)</i> , <i>percentage value (% of balance)</i> , <i>minimum charge (\$)</i> , <i>maximum charge (\$)</i> and <i>number of free activities</i> for each unique combination of: <ul style="list-style-type: none"> <li>• <i>fees and costs arrangement number</i>;</li> <li>• <i>superannuation product number</i>;</li> <li>• <i>investment menu number</i>;</li> </ul>
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- *investment option number*;
- description;
- *fees and costs component type*;
- *fees and costs component activity*;
- *investment charge type*;
- *activity fee type*;
- frequency;
- *tier type*;
- *tier arrangement*; and
- *tier number*.

The *fees and costs component type* options are:

- *other fees and costs*;
- *fees deducted directly from member account*;
- *indirect costs*; and
- *ICR*.

The *fees and costs component activity* options are:

- *investment*;
- *administration*;
- *transaction*;
- *advice*; and
- *member activity*.

The *investment charge type* options are:

- *base*;
- *performance linked*; and
- *not applicable*.

The *activity fee type* options are:

- *advice fee*;
- *buy-sell spread*;
- *contribution fee*;
- *contribution splitting fee*;
- *dishonoured payment fee*;
- *establishment fee*;
- *family law*;
- *financial advice*;
- *financial hardship application*;
- *insurance fee*;
- *lost member search fee*;
- *non-intrafund advice fee*;
- *no-TFN tax recovery fee*;
- *switching fee*;
- *withdrawal fee*;
- *brokerage fee*;
- *other*; and

	<ul style="list-style-type: none"><li>• <i>not applicable.</i></li></ul> <p>The frequency options are:</p> <ul style="list-style-type: none"><li>• annual;</li><li>• biannual;</li><li>• quarterly;</li><li>• monthly;</li><li>• weekly;</li><li>• daily;</li><li>• per activity; and</li><li>• other.</li></ul> <p>The <i>tier type</i> options are:</p> <ul style="list-style-type: none"><li>• <i>flat</i>;</li><li>• <i>marginal</i>; and</li><li>• <i>not applicable.</i></li></ul>
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