



# Reporting Standard SRS 705.0

## Components of Net Return

### Objective of this reporting standard

This Reporting Standard sets out requirements for the provision of information to APRA relating to components of the net return of investment options.

It includes *Reporting Form SRF 705.0 Components of Net Return* 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 and publication. It may also be used by the Australian Securities and Investments Commission.

### 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>.

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<sup>1</sup> For the purposes of this Reporting Standard, an RSE licensee's 'business operations' includes all activities it conducts 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 this Reporting Standard 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.

## Commencement

4. This Reporting Standard applies to reporting periods ending on or after 30 June 2023~~+~~.

## Reporting periods

5. Reporting periods under this Reporting Standard are:
- (a) each calendar quarter (i.e. the periods ending 30 September, 31 December, 31 March and 30 June each year); and
  - (b) each year ending 30 June.

## ~~Initial Information required~~

- ~~6. An RSE licensee must provide information required under this Reporting Standard for each reporting period ending on or after 30 June 2021 but before 30 June 2022, in respect of:~~

- ~~(a) an investment option underlying a MySuper product;~~
- ~~(b) a trustee directed product;~~
- ~~(c) a superannuation product or investment menu providing an investment pathway to (a); or~~
- ~~(d) a superannuation product or investment menu providing an investment pathway to (b).~~

- ~~7. For the reporting periods under paragraph 5(a) and 5(b) ending on 30 June 2021;~~

- ~~(a) in respect of paragraph 6(a) and 6(c), an RSE licensee must provide the information required by paragraph 6, by 30 September 2021.~~
- ~~(b) in respect of paragraph 6(b) and 6(d), an RSE licensee must provide all information required by paragraph 6, by 28 October 2021.~~

- ~~8. For the reporting periods under paragraph 5(a), ending on or after 30 September 2021 but before 30 June 2022, an RSE licensee must provide the information required by paragraph 6, within 28 days after the end of the relevant reporting period.~~

## Information required

- ~~9-6.~~ RSE licensees must provide information required under this Reporting Standard for each reporting period ending on or after 30 June 2023~~2~~.

- ~~10-7.~~ For the reporting period under paragraph 5(a), an RSE licensee to which this Reporting Standard applies must provide the information required by paragraph ~~69~~, within 28 days after the end of the relevant reporting period.

- ~~11-8.~~ For the reporting period under paragraph 5(b), an RSE licensee to which this Reporting Standard applies must provide the information required by paragraph ~~69~~, within 3 months after the end of the relevant reporting period.

## Notices

~~12.9.~~ 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 5, APRA may, by notice in writing, change the reporting periods for the particular RSE, defined benefit RSE or ERF.

~~13.10.~~ Where APRA has changed the reporting periods under paragraph ~~12.9~~, the RSE licensee must provide the relevant information within the time specified by the notice in writing.

~~14.11.~~ 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 due date specified 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.

## Form and method of submission

~~15.12.~~ The information required by this Reporting Standard must be given to APRA in electronic format using an electronic method available on APRA's website or by a method notified by APRA prior to submission.

## Quality control

~~16.13.~~ 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>2</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).

~~17.14.~~ 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

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<sup>2</sup> Refer also to *Prudential Standard SPS 310 Audit and Related Matters* (SPS 310).

policies, procedures and controls for the authorisation of information submitted to APRA is in place.

## Authorisation

~~18.15.~~ When an officer or agent of an RSE licensee provides the information required by this Reporting Standard using an electronic format, the officer or agent must digitally sign the relevant information using a digital certificate acceptable to APRA.

~~19.16.~~ If the information required by this Reporting Standard is provided by an agent who submits the information 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.

~~20.17.~~ 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

~~21.18.~~ 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 their application to the form, without changing any substantive requirement in the form or instructions.

~~22.19.~~ If APRA makes such a variation, it must notify each RSE licensee that is required to report under this Reporting Standard.

## Interpretation

~~23.20.~~ 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>3</sup>.

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<sup>3</sup> Refer to *Prudential Standard SPS 510 Governance*.

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

**defined benefit RSE** has the meaning of defined benefit fund in subsection 10(1) of the SIS Act.

**due date** means the relevant due date under paragraph ~~7, 8, 710, 811~~ or, if applicable, paragraph ~~114~~ of this Reporting Standard.

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

**investment menu** has the meaning given in SRS 101.0.

**investment option** has the meaning given in SRS 101.0.

an **investment pathway** is provided by a superannuation product, or an investment menu, to an investment option, if it is possible for a member to invest in the investment option through that superannuation product or investment menu.

**MySuper product** has the meaning given in subsection 10(1) of the SIS Act.

**reporting period** means a period mentioned in paragraph 5 or, if applicable, paragraph ~~912~~ of this Reporting Standard.

**RSE** means a registrable superannuation entity as defined in subsection 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>4</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 subsection 10(1) of the SIS Act.

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

**superannuation product** has the meaning given in SRS 101.0.

~~24-21.~~ In this Reporting Standard, unless the contrary intention appears, a reference to an Act, Regulation, Prudential Standard, Reporting Standard, Australian Accounting Standard or Auditing Standard is a reference to the instrument as in force or existing from time to time.

~~25-22.~~ 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>4</sup> For the purposes of this Reporting Standard, ‘pooled superannuation trust’ has the meaning given in subsection 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~~ no more than six members and ‘single member approved deposit fund’ means a superannuation entity that is an approved deposit fund, within the meaning of the SIS Act, which has only one member



# Reporting Form SRF 705.0

## Components of Net Return

### Instruction Guide

This instruction guide is designed to assist in the completion of *Reporting Form SRF 705.0 Components of Net Return* (SRF 705.0). This form collects information on the components of net return for *investment options*.

#### General directions and notes

##### Reporting level

SRF 705.0 must be completed for each registrable superannuation entity (RSE), defined benefit RSE and eligible rollover fund (ERF).

##### Reporting tables

Tables described in this reporting form list each of the data fields required to be reported. The data fields are listed sequentially in the column order that they will appear in the reported data set. Constraints on the data that can be reported for each field have also been provided.

The Unique identifier column indicates which field or fields form the primary key of the table. Where a field has ‘Y’ in the Unique identifier column, this denotes that this field forms part of the primary key for the table. A blank cell in the Unique identifier column means that the field does not form part of the primary key for the table. Any specific combination of values in the fields that form the primary key of a table must not appear on more than one row in that table when reported.

##### Reporting basis and unit of measurement

Amounts in SRF 705.0 are to be reported as whole dollars, dollars and cents on a per member basis or percentages. Percentages are to be reported as an unconverted number to two or four decimal places as specified. For example, 12.34 per cent is to be reported as 0.1234 and 12.3456 per cent is to be reported as 0.123456.

Do not report in accordance with the Australian Accounting Standards when reporting in respect of each calendar quarter.

Whilst the information reported in respect of each calendar quarter is not required to be reported in accordance with the Australian Accounting Standards, an RSE licensee must ensure that the information reported in respect of the end of each quarter is the most accurate information the RSE licensee has available by the due date. This may, for example, include some fee and cost information provided to the RSE licensee after the end of the quarter. An RSE licensee will comply with the requirement to report the most accurate information available to it by the due date if they report the unit price or crediting rate as at the reporting date. Where the unit price or crediting rate has been required to be revised in accordance with the RSE licensee's unit pricing or crediting rate policies, the RSE licensee must report that revised price or rate.

Where an RSE licensee is reporting in respect of an annual period ending 30 June, the valuation of any accrued amount must be undertaken in accordance with the Australian Accounting Standards. This means that an RSE licensee must report items on SRF 705.0 in respect of an annual period ending 30 June based on 'hard close' valuations, not 'soft close' valuations.

Items in SRF 705.0 must be reported as at the end of the reporting period, or with respect to transactions that occurred during the reporting period as specified.

## Definitions

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

All references to Schedule 10 of the *Corporations Regulations 2001* in these instructions are references to that Schedule as modified by the [ASIC Corporations \(Disclosure of Fees and Costs\) Instrument 2019/1070](#) as in force or existing from time to time.

## Specific instructions

### Sign of numbers in reporting

Fees, costs and taxes would typically reduce a member's balance. However, for the purpose of SRF 705.0 they should be reported as a positive number. If a fee, cost or tax is rebated and therefore works to increase a member's balance, this should be reported as a negative number.

For example, when reporting an administration fee of \$120.00 for the year ending 30 June, if the RSE licensee subsequently received a tax rebate in relation to the administration fee, and the rebate was passed back to members, this should be reported as tax of -\$18.00 (for example).

No adjustment in sign is needed in reporting investment returns.

### **Attribution of data to superannuation product, investment menu or investment option**

SRF 705.0 must be completed in respect of each *superannuation product*, *investment menu* and *investment option* (RSE structure level) offered by the RSE during the reporting period excluding the following:

- *investment options* which ~~have been~~ are permitted to be aggregated ~~as permitted~~ in table 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 with the *Investment Option Category Type* of 'Annuity'.

The reporting period is each year ending 30 June for the following:

- *investment options* which are reported on SRF 605.0 with the *Investment Option Category Type* of 'Single manager – Listed Investment Company',
- *investment options* which are reported on SRF 605.0 with the *Investment Option Category Type* of 'Single manager – Exchange Traded Product', and
- *investment options* which are reported on SRF 605.0 with the *Investment Option Management Type* of 'externally managed - non-connected entity' and *Investment Option Strategy Type* of 'Non-connected entity'

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

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

Fees, costs and taxes 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, cost or tax is applicable to all members in the RSE structure level, the RSE licensee must report data for that RSE structure level and report ‘ALL’ for the remaining RSE structure levels.

Where the fee, cost or tax 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 identifier* to which it applies. The *investment menu identifier* and *investment option identifier* would be reported as ‘ALL’.

SRF 705.0 requires the RSE licensee to report investment returns for each *investment option*.

Report the Gross investment return for all investment options on the annual return. For external products, where the indirect cost (non-RSE licensee) is not available at quarter end, report the Gross Investment return Ex

Where the return is applicable to all members in the *investment option*, the RSE licensee must report data for that *investment option* and report ‘ALL’ for the remaining RSE structure levels.

Where the return varies dependent on the *superannuation product* and/or *investment menu*, the RSE licensee must report data for each relevant combination of *superannuation product*, *investment menu* and *investment option*.

### Table 1: Components of net return

For each *investment option* that was available to members for part or all of the reporting period, report the components of net return as described in the table below. Where the components differ by *superannuation product*, *investment menu* or *fees and costs arrangement* this should be indicated by use of the appropriate identifier in these fields, otherwise make use of ‘ALL’ as described above.

| Column | Field name                            | Unique identifier | Applicable to | Valid values  | Description  |
|--------|---------------------------------------|-------------------|---------------|---|--|
| 1      | Fees And Costs Arrangement Identifier | Y                 | All filers    | No more than 20 alpha-numeric characters (with no special characters) | Report the <i>fees and costs arrangement identifier</i> that the component of net return relates to. The <i>fees and costs arrangement</i> |

| Column | Field name                        | Unique identifier | Applicable to | Valid values  | Description  |
|--------|-----------------------------------|-------------------|---------------|---|--|
|        |                                   |                   |               |   | <i>identifier</i> must correspond to a <i>fees and costs arrangement identifier</i> reported in SRF 605.0.   |
| 2      | Superannuation Product Identifier | Y                 | All filers    | No more than 20 alpha-numeric characters (with no special characters) | Report the <i>superannuation product identifier</i> .<br>The <i>superannuation product identifier</i> must correspond to a <i>superannuation product identifier</i> reported in SRF 605.0. |
| 3      | Investment Menu Identifier        | Y                 | All filers    | No more than 20 alpha-numeric characters (with no special characters) | Report the <i>investment menu identifier</i> .<br>The <i>investment menu identifier</i> must correspond to an <i>investment menu identifier</i> reported in SRF 605.0.                     |
| 4      | Investment Option Identifier      | Y                 | All filers    | No more than 20 alpha-numeric characters (with no special characters) | Report the <i>investment option identifier</i> .<br>The <i>investment option identifier</i> must correspond to an <i>investment option identifier</i> reported in SRF 605.0.               |

| Column | Field name                          | Unique identifier | Applicable to | Valid values   | Description                                    |
|--------|-------------------------------------|-------------------|---------------|--|--|
| 5      | Performance Component Type          | Y                 | All filers    | <ul style="list-style-type: none"> <li>• <i>Indirect Costs</i></li> <li>• <i>Indirect Cost Ratio</i></li> <li>• <i>Fees Deducted Directly From Member Account</i></li> <li>• <i>Other Fees And Costs</i></li> <li>• <i>Tax</i></li> <li>• <i>Gross Investment Return</i></li> <li>• <i>Gross Investment Return Ex <u>Indirect cost (non RSE licensee)</u></i></li> <li>• <i><u>Indirect cost (non RSE licensee)</u></i></li> </ul> | Report the <i>performance component type</i> . |
| 6      | Performance Component Activity Type | Y                 | All filers    | <ul style="list-style-type: none"> <li>• <i>Investment</i></li> <li>• <i>Administration</i></li> <li>• <i>Transaction</i></li> <li>• <i>Advice</i></li> </ul>  | Report the <i>component activity</i> .         |
| 7      | Investment Manager Level Type       | Y                 | All filers    | <ul style="list-style-type: none"> <li>• <i>Direct Investment Manager</i></li> <li>• <i>Underlying Investment Manager</i></li> <li>• <i>Not Applicable</i></li> </ul>  | Report the <i>investment manager level</i> .   |
| 8      | Investment Charge Type              | Y                 | All filers    | <ul style="list-style-type: none"> <li>• <i>Base</i></li> <li>• <i>Performance Linked</i></li> <li>• <i>Not Applicable</i></li> </ul>  | Report the <i>investment charge type</i> .     |

| Column | Field name                                 | Unique identifier | Applicable to | Valid values  | Description  |
|--------|--|-------------------|---------------|---|--|
| 9      | Tier Type                                  | Y                 | All filers    | <ul style="list-style-type: none"> <li>• <i>Flat</i></li> <li>• <i>Marginal</i></li> <li>• <i>Not Applicable</i></li> </ul> | Report the <i>tier type</i> .  |
| 10     | Tier Arrangement Identifier                | Y                 | All filers    | Whole numbers   | Report the <i>tier arrangement</i> . Where the <i>tier type</i> is <i>Not Applicable</i> , report 0.   |
| 11     | Tier Number Identifier                     | Y                 | All filers    | Whole numbers   | Report the <i>tier number</i> . Where the <i>tier type</i> is <i>Not Applicable</i> , report 0.  |
| 12     | Flat Dollar Amount                         |                   | All filers    | Dollars and cents   | Report the <i>flat dollar amount</i> of the expense or benefit attributable to a member during the reporting period.   |
| 13     | Charge Minimum Percent                     |                   | All filers    | Percentage to 2 decimal places  | Report as a percentage the <i>minimum charge (%)</i> as at the last day of the reporting period. Where there is no <i>minimum charge (%)</i> , leave this field blank. |
| 14     | Charge Maximum Percent                     |                   | All filers    | Percentage to 2 decimal places  | Report as a percentage the <i>maximum charge (%)</i> as at the last day of the reporting period. Where there is no <i>maximum charge (%)</i> , leave this field blank. |
| 15     | Expense Or Benefit Account Balance Percent |                   | All filers    | Percentage to 2 decimal places  | Report as a percentage the <i>percentage value (% of balance)</i> of the expense or benefit attributable to a member during the reporting period.                      |
| 16     | Charge Minimum Amount                      |                   | All filers    | Dollars and cents   | Report the amount of the <i>minimum charge (\$)</i> as at the last day of the  |

| Column | Field name                              | Unique identifier | Applicable to | Valid values                   | Description  |
|--------|---|-------------------|---------------|--------------------------------|--|
|        |   |                   |               |                                | reporting period. Where there is no <i>minimum charge</i> (\$), leave this field blank.  |
| 17     | Charge Maximum Amount                   |                   | All filers    | Dollars and cents              | Report the amount of the <i>maximum charge</i> (\$) as at the last day of the reporting period. Where there is no <i>maximum charge</i> (\$), leave this field blank.            |
| 18     | Expense Or Benefit Transaction Percent  |                   | All filers    | Percentage to 4 decimal places | Report as a percentage the <i>percentage value (% of transaction)</i> of the expense or benefit attributable to a member during the reporting period.                            |
| 19     | Lower Bound Tier Account Balance Amount |                   | All filers    | Whole dollars                  | Report the <i>tier lower bound</i> as at the last day of the reporting period. Where there is no tiering structure in place, leave this field blank.                             |
| 20     | Upper Bound Tier Account Balance Amount |                   | All filers    | Whole dollars                  | Report the <i>tier upper bound</i> as at the last day of the reporting period. Where there is no tiering structure in place, or there is no upper bound, leave this field blank. |