

15 March 2013

Dear registrable superannuation entity licensee,

As you are aware, changes to the back office of Australia's superannuation system are being implemented as part of the SuperStream reforms.

The Australian Taxation Office (ATO) and Australian Prudential Regulation Authority (APRA) are working together to help you understand your new obligations relating to the implementation of the new Data and Payment Standards ('the Standard').

This letter details several aspects of SuperStream that will be implemented in the coming months, and what you need to do about them. More details are provided in the appendix.

APRA is the agency responsible for administering those sections of the *Superannuation Industry (Supervision) Act 1994* that require registrable superannuation entity (RSE) licensees to comply with the Standard. APRA recognises that compliance with the Standard is a new obligation and that practices are likely to evolve over time.

APRA considers the processing of rollovers and contributions to be a material business activity and, to the extent that some or all of the function is outsourced, the arrangements should meet the requirements of *Prudential Standard SPS 231 Outsourcing* (SPS 231). While APRA expects funds to take reasonable steps to comply with the Standard by the required dates, APRA, and the ATO as appropriate, will work with RSE licensees as they enhance their approach to meeting these new requirements over time.

#### **Fund validation service**

To enable funds to check product and bank account details for outbound rollovers and help funds meet the three-day performance standard for processing rollovers, the ATO will be providing a Fund validation service from 1 July 2013.

RSE licensees have a legal obligation to provide fund details for the Fund Validation Service to the Commissioner of Taxation by 2 April 2013. Details on how to submit this information are provided in the appendix.

#### **Transition-in process**

To help you get ready for processing rollovers in the Standard there is a transition-in period from 1 July to 31 December 2013. To ensure an orderly transition-in process, each APRA-regulated entity has been allocated a transition-in completion date within this timeframe. A [Rollover implementation transition-in guide](#) is now available on the ATO's website.

The ATO will facilitate regular teleconferences with funds within each transitioning group, beginning at least two weeks prior to their transition-in completion date. Further details are available in the guide.

#### **Fund readiness questionnaire**

To assess your fund/s' readiness to send and receive rollovers in the form required by the Standard, the ATO will be writing to you in late March asking you to complete a short questionnaire for each fund for which you are the RSE licensee.

This is an important exercise to help the ATO and APRA better understand the industry's overall readiness, identify key issues and help us focus on what further assistance is required.

The information collected from this questionnaire will be aggregated and provided to the SuperStream Advisory Council in a form that does not permit individual funds to be identified.

### Key dates

The key actions for RSE licensees over the coming months are:

|                               |   |
|-------------------------------|---|
| By 2 April 2013               | Provide fund details to the ATO for the Fund Validation Service                                       |
| By 9 April 2013               | Complete and submit the fund readiness questionnaire  |
| By 1 June 2013                | Check your fund's start date for your induction period  |
| By 1 July 2013                | Ensure that your fund is able to receive rollovers that comply with the Standard.                     |
| From 6 September 2013 onwards | Complete your full transition-in by no later than the transition-in completion date set for your fund |
| By 5 October 2013             | Ensure that your fund is able to receive initiation messages that comply with the Standard            |
| By 1 July 2014                | Ensure that your fund is able to receive contributions that comply with the Standard                  |

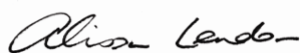
Before commencement of each fund's induction period, you will need to ensure your fund is ready to undertake the transition to making rollovers in compliance with the Standard.

### Further information

For more information about the Standard visit [ato.gov.au/datastandards](http://ato.gov.au/datastandards) 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.

Yours sincerely



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Deputy Commissioner  
Superannuation

Australian Taxation Office



Helen Rowell  
Executive General Manager  
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Australian Prudential Regulation  
Authority



Australian Government  
Australian Taxation Office



APRA

## APPENDIX: PREPARING FOR SUPERSTREAM IMPLEMENTATION

### **A new data standard for processing rollovers<sup>1</sup> and contributions**

The *Data and Payment Standards 2012*<sup>2</sup> (the Standard) sets out requirements for superannuation trustees and employers when making or receiving rollovers or contributions. The requirements for different participants will be phased in over three years.

#### ***Rollovers***

RSE licensees of APRA-regulated funds are required to use the Standard for processing rollovers from 1 July 2013. To help funds comply with the Standard, a six month transition-in period for processing rollovers will begin on 1 July 2013 and end on 31 December 2013.

Funds must be able to receive rollovers that comply with the standard from 1 July 2013, and must be able to initiate fully complying rollovers from their specific transition-in completion date which is on or after 6 September 2013.

To ensure an orderly transition-in process, each APRA-regulated fund has been allocated a transition-in completion date. A [timetable](#) showing this date for your fund/s is now available on the ATO's website.

The ATO will schedule small groups of funds to participate in an induction process in the week or two preceding their specified transition-in completion date. This will help confirm that they are able to initiate and receive rollovers between themselves in accordance with the Standard. Details of this process are contained in the [Rollover implementation transition-in guide](#) and induction dates will be added to the transition-in completion timetable on 1 June 2013.

If you need to request a different transition-in completion date from that shown in the timetable, whether earlier or later, you should approach your APRA responsible supervisor.

Note that, once the Standard commences, under 6.34A of the *Superannuation Industry (Supervision) Regulations 1994*, RSE licensees will generally have only three working days from the date of receipt of a complete rollover request to complete the transaction. This contrasts with the current position where RSE licensees generally have 30 days for completion. APRA will write to you shortly about implementation of this measure.

#### ***Contributions***

Employers making contributions on behalf of members must provide data in

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<sup>1</sup> Note: Although the terms 'rollover' and 'transfer' are often used interchangeably, APRA considers that a member benefit is rolled over if a condition of release has been satisfied and it is paid as a superannuation lump sum within the superannuation system. A member benefit is considered to be transferred if it is paid to another superannuation entity other than upon satisfaction of a condition of release. For the purpose of this letter, and of the Standard, the term "rollover" is used to describe either a transfer or rollover.

<sup>2</sup> See

<http://www.ato.gov.au/superfunds/content.aspx?doc=/content/00335171.htm&pc=001/149/032/002/005>

accordance with the Standard. This will apply to large and medium employers from 1 July 2014, and to small employers from 1 July 2015.

Funds must be able to accept contributions data in the Standard format from no later than 1 July 2014.

We will write to you again about these issues closer to the time of implementation.

### **Fund Validation Service**

A Fund Validation Service will be available from 1 July 2013 to enable funds to check product and bank account details for outbound rollovers and help funds meet the three-day performance standard for processing rollovers.

There is a legal obligation for RSE licensees of all APRA funds to provide fund details for the Fund Validation Service to the Commissioner of Taxation<sup>3</sup> (by 2 April 2013 or within 10 days before the day on which the entity first receives a contribution, a rollover or a transfer of a member's withdrawal benefit).

### ***How to provide your details***

You should provide your fund/s' details by downloading and completing the fund details register [input template](#) and then submitting it via the [ATO's Business Portal](#). You will need an AUSkey to access the portal.

The full details of the requirements for the Fund Validation Service are available in the [Fund validation service user guide](#) on the ATO's website.

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<sup>3</sup> section 3B.03 of the *Superannuation Industry (Supervision) Regulation 2012 (No.5)*