

# Tax Data Standard

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## Version Control

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The Australian Custodial Services Association (ACSA) is an association representing the custodial and investment administration industry. It aims to promote efficiency, automation and standard market practice for the benefit of members and their clients.

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## Introduction

This document sets out a standard data set and common market practice guidelines for automating the exchange of Australian managed fund tax data.

Use of the standard will benefit both publishers and recipients of tax data (and ultimately end investors) by improving operational efficiency and reduced risks.

The objective is an operating environment where fund tax data elements are digitally exchanged and can be interpreted without ambiguity driving greater integrity, timeliness and consistency of tax data for distributions, withholding taxes, annual tax statements and regulatory reporting obligations.

The intended users of the standard are organisations that exchange tax data, including:

- Investment administrators, including those performing net asset value calculation and/or unit pricing, fund accounting and/or tax services for managed investment schemes and complying superannuation funds
- Fund issuers, including Responsible Entities / trustees of wholesale collective investments, investment/asset managers
- Custodians offering services to local and foreign investors
- Investor Directed Platform Service (IDPS) and Managed Account operators
- Registry providers
- Technology providers interested in streamlining process automation.

## Industry need

Tax law treats income and capital gains differently depending on their nature and where generated (local or foreign), the tax domicile of the investor (local or foreign) and type of fund for tax purposes (Attribution Managed Investment Trust (AMIT) or traditional Managed Investment Trust (MIT)) and for withholding tax purposes.

Trust distributions and tax statements generate significant volumes of fund tax data that are exchanged between participants. For example:

- Managed funds investing in other managed funds
- Superannuation funds investing in managed funds
- Investor directed portfolio services (IDPS) investing in many (potentially hundreds) managed funds on behalf of Australian and offshore investors
- Custodians investing in managed funds on behalf of Australian and offshore investors.

Or, in functional terms:

- Distribution data ('interim', 'final', 'special', 'ad-hoc' etc.) provided by fund administrators for consumption by unit registry providers, other fund administrators, wholesale investors, custodians, platforms and other intermediaries

- Fund notices<sup>1</sup> data provided by trustees, fund administrators, unit registry providers and custodians for consumption by other fund administrators, custodians, platforms and other intermediaries
- Annual tax statement data (AMMA and SDS) provided by unit registry systems for consumption by fund administrators, wholesale investors, custodians, platforms and other intermediaries

At present, there are wide variations in the layout, form and content of the data exchanged. As a consequence, the publishers and recipients of this information dedicate considerable time and resources in building and maintaining systems and processes to generate, convert, map and collate tax data<sup>2</sup>. A lack of standardisation also drives the level of manual query between participants and increases operational risk, including in relation to the calculation of withholding taxes.

The objective of this standard and associated common market practice is an operating environment where fund tax data elements are digitally exchanged and can be interpreted without ambiguity delivering greater integrity, timeliness and consistency of tax data for distributions, withholding taxes, annual tax statements and regulatory reporting obligations.

A schematic of current and future states is included as **Annexure A and B**. A functional view is included as **Annexure C**.

## Scope and Approach

### Not tax advice

The standard aims to operationalise the efficient exchange of tax information. It is not tax advice, nor does it prescribe the tax policy, methodology or calculation approach of any party.

### Reliance

Use of the standard requires a party to include generic header information (to identify the fund and report time and frequency), adopt the unique data codes and associated definitions, and to acknowledge that reliance can be placed on information exchanged.

### Change management

It is intended that this Standard will be regularly updated for future tax regulatory changes, including tax legislation and ATO reporting requirements including guidance notes.

<sup>1</sup> Comprising Dividend, Interest, Royalty (DIR) notices, Fund Payment notices and Deemed DIR/Fund Payment notices for AMITs; Fund Payment notices for MITs.

<sup>2</sup> Additional complexity arose as a result of the AMIT regime. Registry systems now need to handle the different information disclosure requirements for Standard Distribution Statement (SDS) and AMIT Member Annual (AMMA) Statements. The AMIT regime introduced new withholding tax and notice requirements to those in place for MIT's. The variations in tax compliance and disclosure requirements between these different tax entity types compound the incompatibility in current tax data formats exchanged between parties and introduce undesired risks.

These updates will be managed and made by the Tax Data Standard Owner. The initial Tax Data Standard Owner is the Australian Custodial Services Association (ACSA), managed by the Tax Working Group.

## Data super set

The standard is framed on defining tax data elements adopting an “All in one” approach. That is, a super set of data that encompasses the range of tax related data attributes including:

### *Fund level attributes:*

- Fund Tax status (AMIT, MIT, non-MIT)
- Withholding MIT status (Yes, No)
- Category (e.g., Distribution, Fund Notice, Annual Tax Statement)
- Type (Fund, Class, Investor)
- Basis (Year to Date, As at)
- Number of classes (1,2,3...)

### *Data presentation options:*

- CPU;
- DPU;
- %; and/or
- \$

## Specific reporting

The data set encompasses the universe of fund tax data elements. Specific tax reports will align to regulation (where prescriptive) or common market practice (where principles based) in terms of the elements to include.

All tax data exchanged must include mandatory header information to identify the fund and report type.

The specific data elements included in any exchange (report) are determined by the issuer in line with the standard and their service model and the intended use of the data.

If the data publisher does not currently provide a value for a particular data element, then this will be shown as “blank”, not zero. This is to distinguish between a data element that has actual zero value versus one that has not been populated. This addresses the scenario where, for example, the cash components of an interim distribution are not reported (and may not be zero, but have not been calculated or provided).

## Unique codes

Each tax data element to be defined with unique identifier as well as narrative. This unique identifier is intended to act as a ‘key’ across organisations and technology platforms and

will also support the development of mapping tables for various downstream reporting obligations e.g.:

- Distribution processing, including withholding tax calculations and reporting obligations
- Annual Tax Statement (SDS/AMMA)<sup>3</sup>:
  - Part B: Resident Individual Tax Return Labels
  - Part C: Detailed Components
  - Part D: Net AMIT Cost Base Adjustment (AMITs only)
- Annual Investment Income Reporting (AIIR)<sup>4</sup>

## Data revision

If information exchanged requires revision (to address missing or corrected data), this should be done by a re-issue of the entire specific data set. The latest date/time stamped data set will be taken to be the intended release of data for user consumption.

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<sup>3</sup> This approach is consistent with historical ATO/FSC/ACSA Annual SDS/AMMA Guidance.

<sup>4</sup> This approach is consistent with historical ATO/FSC/ACSA Annual SDS/AMMA Guidance

## Scope of this standard

#	Tax Data Attribute/Activity	In-scope/intended for:	Out-of-scope/not intended for:
1	Fund Structure	Single Class Multi-Class AMIT multi-class election	Stapled Securities
2	Fund Listing	Listed Unlisted	-
3	Fund Sector	Non-Primary Production (NPP)	Primary Production (PP)
4	Fund Type(s) for Tax	AMITs MITs Non-MITs	Trading Trusts CCIVs
5	Fund Tax Holding Basis	MIT CGT Election Capital Account Revenue Account Deemed Revenue Account	Trading Stock
6	Fund Withholding MIT Status	Withholding MIT Non-withholding MIT	-
7	Fund Investors	Institutional Wholesale Custodians Platforms Other intermediaries	Retail
8	Fund Distribution Data	Interim Special/Ad-hoc Income reallocation Specific allocation	-
9	Fund Notice Data	Dividend, Interest, Royalty (DIR) Fund Payment Notice Deemed DIR Notice Deemed Fund Payment Notice	-
10	Annual Tax Statement Data	Standard Distribution Statement AMMA Statement	-
	<i>Basis</i>	Year to date As At	-
11	Tax Return Data	Mapping to ATO Individual Tax Return (Supplementary)	All other Tax Returns / Schedules
12	Annual Investment Income Reports (AIIR) Data	Mapping to ATO AIIR specification (currently v13.0.1)	All other previous versions of ATO AIIR specifications ATO Transfer/Sale of Units specifications



## Data Standard Schema and User Guide

The implementation of this Standard is intended to be with reference to the *Data Standard Schema and User Guide*. This is a separate 'single source of truth' artefact created and maintained by the ACSA Tax working group.

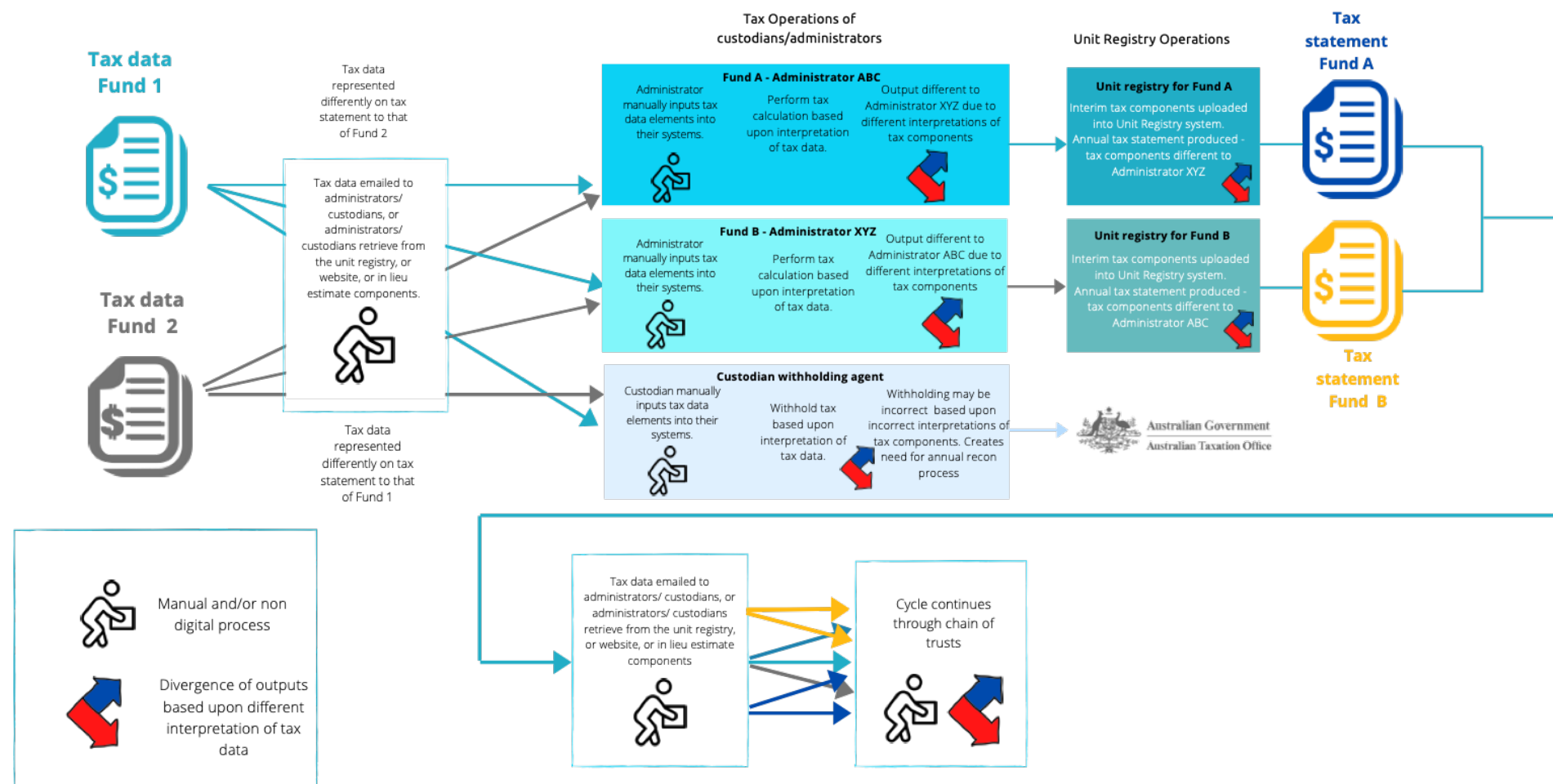
Interested parties should contact ACSA for a copy of resources applicable to the relevant year of income.

## Additional Resources

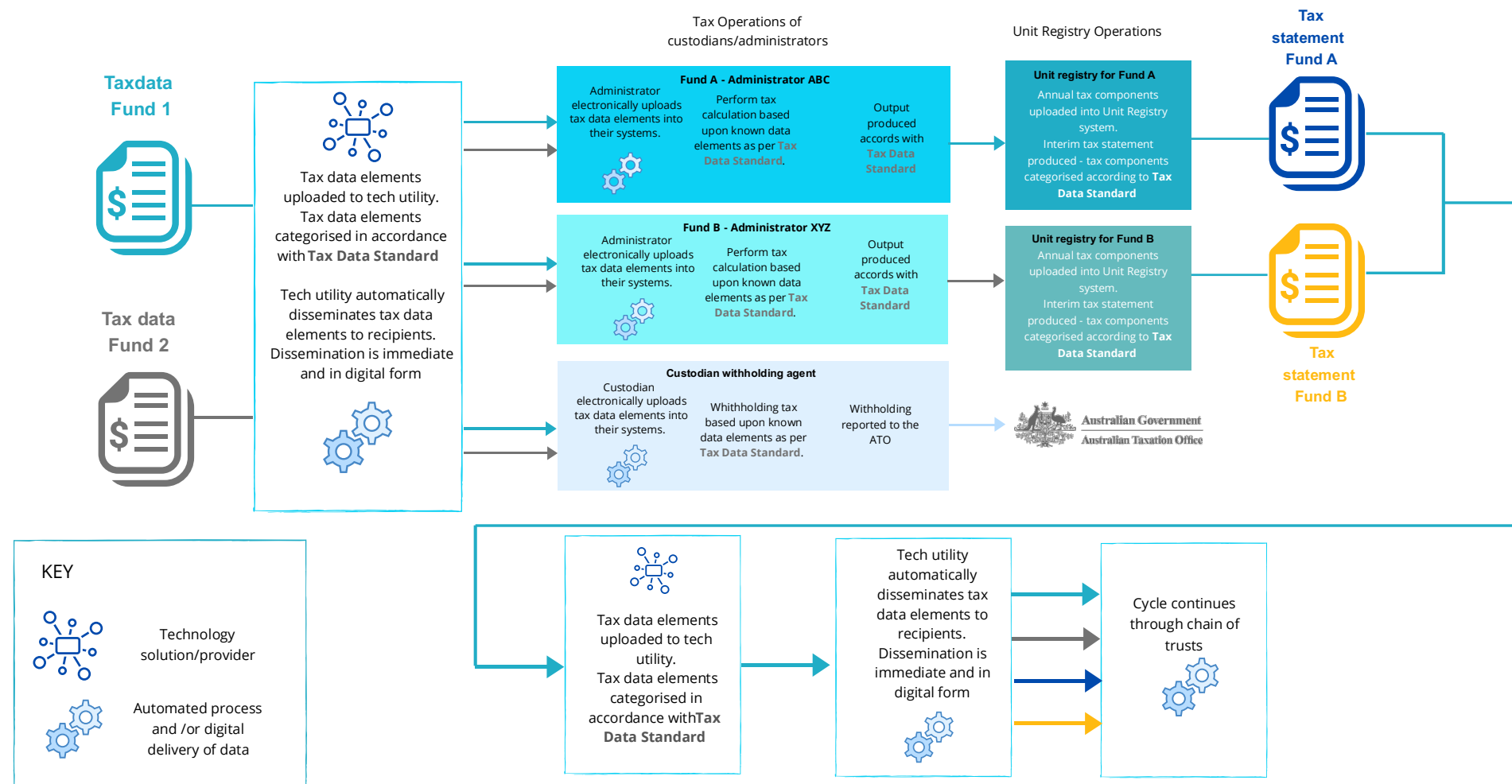
The data standard schema will be mapped to AIIR specifications and Tax Returns (Individuals) on an annual basis.

Interested parties should contact ACSA for a copy of resources applicable to the relevant year of income.

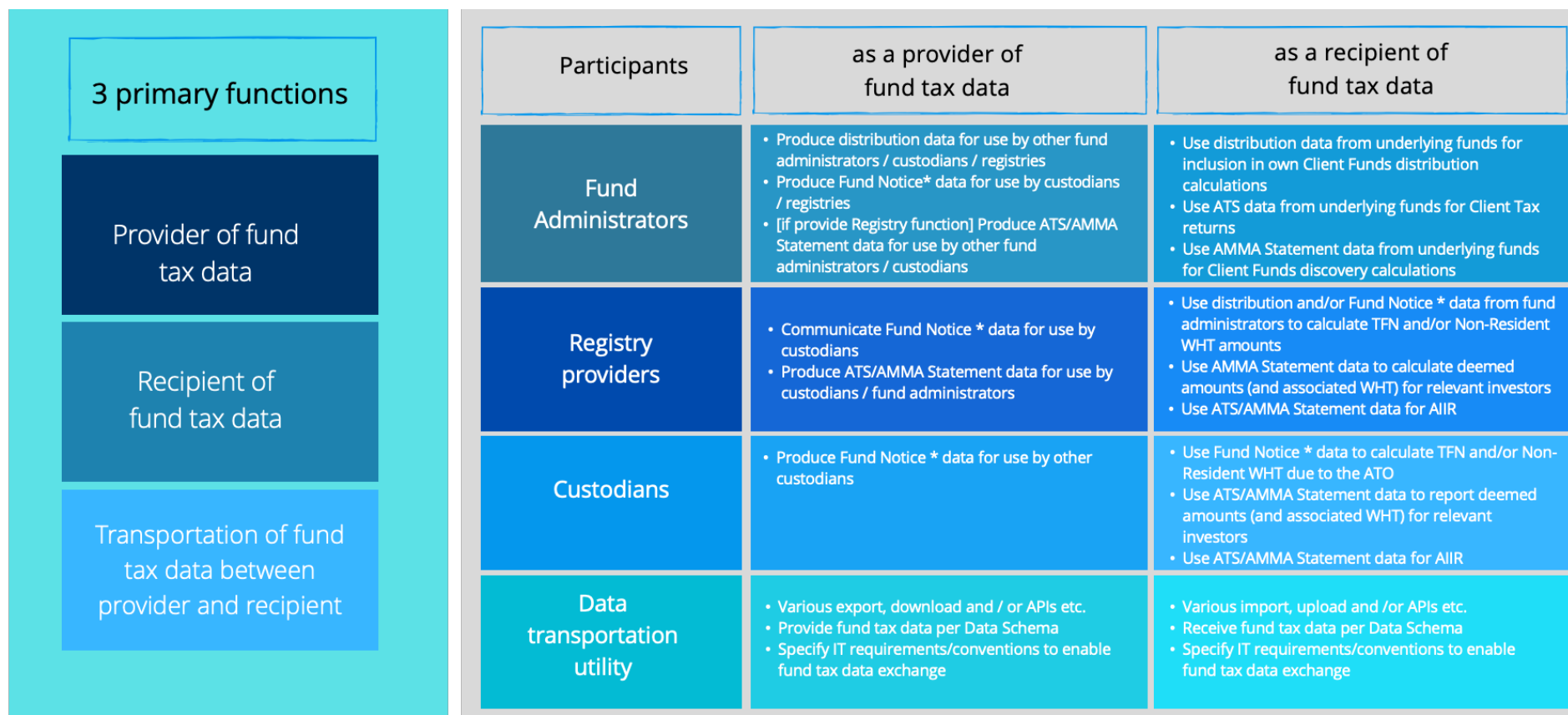
## Annexure A – Current State Schematic



## Annexure B – Future State Schematic



## Annexure C – Functional view



\* e.g. Fund Payment Notices (MITs); DIR/Fund Payment and Deemed DIR/Fund Payment Notices (AMITs)

Note: These are illustrative examples only, and may not represent all scenarios or models