Compliance Update FY22 – Q & A

No	Question	Answer
1	Please advise if there is an error reported to the ATO for TBAR, how do I reverse that in Class so the ATO is aware and therefore not calculating the excess earning associated?	You can use a manual TBAR event and lodge it with the ATO by generating a TBAR file. Please find relevant user guide articles here & here.
2	Are there any plans to improve the Class Super rollover console?	We are continuing to improve the way the Rollover and Release authority process works in Class. If you have any suggested ideas for how we can continue to improve the Rollover & Release Authority console, we would love to hear your feedback on our feedback portal, AHA. If you don't already have access you can register for this here.
3	Could you please confirm that an in-specie rollover of shares for example, from a SMSF to another SMSF does not need to use SuperStream?	Yes, that is correct. SuperStream payment standards only support electronic fund transfer. Therefore, in-specie rollover by its own definition, falls outside of SuperStream payment standard. Please refer ATO site for SuperStream Rollover exclusions.
4	If I created a report in the SuperStream area for an in-specie that isn't therefore required, should I just leave it there or delete the report?	You can reject the message and reprocess using manual rollover in/out events.
5	Rollovers out of SMSF, does this have to be made as one payment, and not multiple payments, relevant to daily payment limits?	In short, your payments need to match up to how many rollover events you push through SuperStream. If the banking limit is $50k, and the client is looking to rollover $200k you will need to do 4 separate SuperStream events.

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6	The super fund will not accept the payment if you don't use SuperStream - they send the cheque back.	This is correct. If APRA fund did not receive SuperStream message matching the payment, they are obligated to refund the payment.
7	Is there a way to get a notification on entry into Class that there are SuperStream payments to match	You can set yourself as a notification recipient to receive emails for a selected range of SuperStream status. Please refer to user guide here.
8	If the bank feed is not supported on Class, how can we ensure to process the rollover within 3 days?	Administrator of the fund should work closely with client to ensure that the timing and payment of the rollover are communicated.
9	In relation to the 3-day rule, do retail and industry funds have this requirement as well as I have found that it takes at least a couple of weeks. I also had one that told me that then need to check the SMSF details 3 times and then wait a week for the payment out to be processed as that was their process. Also, most of the retail/industry funds are asking for the client to send in additional documents like identification documents and a copy of the SMSF bank statement.	Technically yes, public offer funds have the same requirements however they also have some "know your client" requirements that they need to comply with in addition to the SuperStream requirements.
10	Will the Superstream completely replace the paper notice? Or will ATO still send out those together with the SuperStream message?	Where the fund is using an Electronic Service Address that supports SuperStream Rollover (like Class'), ATO will no longer send paper notices to the trustees.

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11	What happens when you try to process Release Authority received and it comes back as failed? ATO wont reissue and you can't do anything in Class?	Please send an email to Class Customer Service team on this issue so they can further investigate for you.
12	Since rollover provisions are so tight, is there a way for the members to protect themselves in some way via an effective "exit strategy" to allow for reasonable time for the Trustees to sell the relevant assets? Even disposing of listed shares it T+2. I suppose that exits from the SMSF would generally be known by both parties so the point may be moot.

Further, in the Financial Advice process, we are in a situation now where we are writing advice to exit the SMSF and roll into the member's respected super funds, when does the '3-days' timeframe start? When the members outlined their goals to us in the advice discovery process or once we have delivered our advice? | We are suggesting that people get "proactive" with their clients in terms of helping them understand process involved and approach to SuperStream Rollovers. Generally, the most important step in this is getting client to request their fund be prepared for rollover, rather than the first contact being to provide the rollover required details and kicking off the three days "early". |

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13	Is it correct that Class reports a live balance to the ATO? We had an instance where a client requested a rollover out of the SMSF via their MyGov account.

The SMSF had not been reconciled, but a SuperStream rollover request was received with a live unreconciled balance (post the most recent period update). | Assuming you are referring to the available balance section when you clicked on the rollover out request on the console. This amount is the current member balance Class can pull, no integration with ATO here.

Best practice is always to reconcile the fund and run a period update to a day prior so you get an updated member balance before advising member amount to pay and clicking on confirm payment. Please refer to user guide here. |
14	Is there any plans on building a report that reports all of the SuperStream notices for a fund? That way it could be included in a package of reports for the auditor, instead of them trying to find it in the console.	Thank you for your feedback. We would appreciate it if you can post this on our Aha portal. You can register via here.
15	If rolling out members benefits, does the receiving fund needs to confirm receipt of money so the status will show complete. We have confirmed the payment	Yes, it does need to confirm receipt of the money. The receiving fund needs to return a confirmation message for the status to show complete. You can follow up with the receiving fund with the conversation ID.
16	Can you cancel a rollover in?	No, if the rollover in request has been successfully sent, you will have to contact the transferring fund to reject it.

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17	Is there an easy way to tell if a period update wasn't done before the rollover / lump sum business event was generated?	Yes, there is a section in the SuperStream message – "Last Period Update"
18	For audit purposes, will the rollover benefits statement still need to be signed?	At least at this stage all our auditors are indicating that they will not need signed rollover statements where a rollover has gone through SuperStream correctly HOWEVER as Lyn mentioned there might be some other paperwork required in terms of minutes etc depending on your auditor.
19	How long does the status remain in the Rollovers & Release Authorities or does it drop off once rolled into the following financial year?	The status will remain in the console even when we move into a new FY. If you want to view all SuperStream messages, you just need to leave the FY filter empty on the console.
20	With release authority say div 293, what happens if the client just uses the payment details on their notice of assessment.	If the client pays the Div 293 tax themselves, then no message will be received in the Fund for a Release Authority as the payment won't be made by the fund, thus not covered by SuperStream.
21	What happens when the trustee mistyped the payment reference number when making the payment? What needs to be done to fix this error?	The money will have gone to the ATO/other fund still, it's just unlikely to be able to be matched off (or worse could be matched to the wrong client). You will need to follow up to let ATO/other fund know of the error.
22	The manual TBAR event does not seem to support REVERSE / CANCEL of previous reported TBAR event.	As TBAR reporting framework is event based, to report reversal/cancellation of a reported TBAR event, you will have to first cancel the event in Class. If the TBAR event is for an incorrect pension establishment > delete the incorrect pension establishment > trigger the cancel TBAR event that could be lodged to undo the incorrect one.

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		However, if you want to report reversal of previous reported TBAR event in a closed financial year, you can lodge a paper form with the ATO to rectify the TBAR reporting on the ATO side.
23	We have capitalised borrowing costs (i.e. loan establishment cost) to be amortised over 5 years. However, our auditor has recently requested for us to revalue this to nil as "borrowing cost has no market value" and that the fund is in breach of Reg 8.02B of SISR. As this is the first time we have come across revaluing capitalised borrowing costs, can you please share your thoughts on this?	This will largely depend on the fund's accounting policies. Capitalised borrowing costs generally represent a deferred tax asset, you could account for them in that sense (and at the appropriate value therewith). Some practices fully expense borrowing cost for accounting purposes in first year and claim amortisation for tax purposes only.
24	Is property valuation required every year?	There is no definite answer on this. Some auditors will accept property valuation that's within 3 years old; others may demand annual valuation especially in a volatile market. Also, if there is substantial improvement or growth in the suburb, a property valuation may be warranted.
25	If a SMSF has invested in a Property Unit Trust which has a property can we track it at Business level?	No, as the Property Unit Trust is recorded as an Unlisted Trust in SMSF. If the Unit trust is on Class via Class Trust, the property can be tracked through that entity (it would then appear in the property console).
26	is it possible to require RP data in bulk?	At the moment, it is not possible to request RP data in bulk. We suggest using Property Console on Business level to track revaluation status for all properties own by funds you administer.

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27	Is the 3 years rule still apply on residential property revaluation?	The three-year rule technically never applied to any assets in SMSFs however it was industry practice for a long time and across a lot of different people. What you've been required to do, at least since the valuation requirements came in, is mark to market every year. If you want to use an old valuation for a property then you needed to justify why it was still appropriate to use that valuation (e.g. getting a suburb profile report which shows the value hasn't changed). In practice, at least since the start of Covid, the vast majority of our clients are needing to get annual valuations as property movements have been so significant/variable across the last three years.
28	Do the RP data reports requested through Class cost anything? Also what standard deviation would be classifed as high confidence?	RP data report for residential property is complimentary. Forecast Standard Deviation (FSDs) below 15% are generally more reliable. Please find user guide here.
29	Can pension commencement documentation be generated by Class?	If you go into the pension, edit, view establishment details and head across to the pension details tab there is an option to create the commencement reports. There is a request letter, acknowledgement letter and minute/resolution for the members/trustees to sign.
30	Will Class update the contribution report to only show unused cap if each member in the fund is eligible?	You can already see the unused concessional and non-concessional caps in both the member console (at the business level) and the contribution cap report. There is no PDF report that can be run for all funds at the business level.

No	Question	Answer
31	In terms of actuarial certificate & ECPI election, you mentioned only the last period update needs to be updated. Will this be different if there's numerous Lump Sum out and pension commutation as in the past, we had to update all period update for the actuarial certificate % obtained. Thanks.	No, you only need to update the last period update (just before the end of financial year). This is the case even if you have multiple pensions established, rollovers and or other reasons for multiple period updates run throughout the year.
32	If you trigger the bring forward at age 75, can you utilise your remaining bring forward cap in the year you're 76 or 77 (having triggered it when you were eligible to contribute) or is this lost once 28 days after the month in which you turn 75 passes.	No, the member would be able to trigger the bring forward before they turn 75 and make three years worth of non-concessional contributions but if they don't use that whole amount, they will not be able to contribute after they turn 75.
33	Any plans in Class to be able to pick which method for ECPI would be most beneficial without the need to process year end twice?	No, given there are many factors that need to be weight up e.g. potential tax payable, carry forward capital losses etc. It is a decision that Class does not plan to automate.