

Submission number 2014/01

21 January 2014

Draft 'Schedule 1 – Transitional Arrangements' to the *Superannuation Data and Payment Standards (2012)*

The response to the ATO:

- notes the intent of the draft is to extend the time for transitional arrangements and establish an induction process to support the orderly implementation of employer contributions in the Standard
- welcomes the 12 month extension to the period during which alternate electronic file formats may be used,
- welcomes the decision of the ATO to be actively involved in the induction of employers to the Standard, and
- notes the important role played in standards implementation by the network of gateways and raises concerns with the absence of stable governance arrangements for the SuperStream Transaction Network (SSTN) within which the gateways operate

The response also provides comments on the following specific matters:

Effectiveness in meeting the stated objective

As drafted, the Legislative Instrument does not appear to meet the stated objective of providing control over the adoption of the data standard by employers as it only covers two specified groups of, and not all, employers.

Certification of software

ASFA is concerned both with the proposed certification process and that no such certification process is required for software solutions used by non-participants in the induction process.

Governance of the SuperStream Transaction Network

ASFA recommends that the ATO exercise its powers under the SIS Act to further regulate the manner in which the SuperStream Transaction Network operates with respect to superannuation rollover and contribution transactions.

Certification of data protection solution

Given the volume of data being transferred, the nature of that data and that the data can be referenced to an individual, consideration needs to be given to the security of the data throughout the transaction chain and that, arguably, entities should be required to have third party certification of their data protection policies and processes.

Error Messaging Requirements

ASFA recommends that the drafting of the Legislative Instrument be reviewed to confirm its effectiveness in achieving the desired outcome of error messaging capability 1 not being required in the first 6 months of the induction period unless paired entities agree otherwise.