



# Instruction Guide

## **Application Form – RSE Registration**

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## Glossary of terms

ABN	Australian Business Number
AFSL	Australian Financial Services Licence issued by ASIC
Applicant	the body corporate or constitutional corporation, or each trustee if a group of individual trustees are applying for an RSE licence, and/or applying to register an RSE or SAF
APRA	Australian Prudential Regulation Authority
ASIC	Australian Securities and Investments Commission
FSCOD Act	<i>Financial Sector (Collection of Data) Act 2001</i>
MySuper product	A class of beneficial interest in a regulated superannuation fund is a MySuper product if an RSE licensee is authorised under s. 29TC of the SIS Act to offer that class of beneficial interest in the fund as a MySuper product.
Prudential Standards	those prescribed by s. 34C of the SIS Act
Regulations	<i>Superannuation Industry (Supervision) Regulations 1994</i>
RMS	risk management strategy as defined in SPS 220
RSE	registrable superannuation entity as defined by s. 10 of the SIS Act
RSE licence	registrable superannuation entity licence granted under s. 29D of the SIS Act
RSE licensee	a constitutional corporation, body corporate or group of individual trustees, that holds an RSE licence granted under s. 29D of the SIS Act
SAF	a small APRA fund, being a superannuation entity that is a regulated superannuation fund within the meaning of the SIS Act and has fewer than 5 members
Superannuation entity	defined by s. 10 of the SIS Act as regulated superannuation fund, or an approved deposit fund, or a pooled superannuation fund.
SIS Act	<i>Superannuation Industry (Supervision) Act 1993</i>
SPS 114	<i>Prudential Standard SPS 114 Operational Risk Financial Requirement</i>
SPS 160	<i>Prudential Standard SPS 160 Defined Benefit Matters</i>
SPS 220	<i>Prudential Standard SPS 220 Risk Management</i>
SPS 231	<i>Prudential Standard SPS 231 Outsourcing</i>
SPS 232	<i>Prudential Standard SPS 232 Business Continuity Management</i>
SPS 250	<i>Prudential Standard SPS 250 Insurance in Superannuation</i>
SPS 530	<i>Prudential Standard SPS 530 Investment Governance</i>

<sup>1</sup> Footnote text (Style: Footnotes)

# Introduction

This Instruction Guide provides general information on making an application to register a superannuation entity using the approved *Application Form – RSE Registration*. It does not constitute legal advice.

For further information, visit APRA's website at [www.apra.gov.au](http://www.apra.gov.au) or contact 1300 55 88 49 or by email at [info@apra.gov.au](mailto:info@apra.gov.au)

## Who needs to register a superannuation entity?

A superannuation entity must be registered by APRA. Only an RSE licensee can apply to register a superannuation entity as a RSE. Self-managed superannuation funds regulated by the Australian Taxation Office and public sector superannuation schemes are not required to be registered as RSEs.

## What are the requirements to register a SAF?

An RSE licensee wishing to register a superannuation entity as a small APRA fund (SAF) must apply using the approved application form. To support the registration application, an Applicant may rely on policies and/or documents previously provided to APRA where the SAF will adopt these documents and there are no variations. Where the Applicant seeks to rely on previously provided documentation, the Applicant must provide the title and version number of the relevant documentation in section B6 of the form. If there are any variations to these documents, a revised 'marked up' version must be attached.

The Applicant must also demonstrate the analysis undertaken to determine whether the SAF will have an impact on the Applicant's compliance with the prudential standards requirements as required by the form.

Additional guidance, where necessary, regarding the application of requirements to a SAF has been provided throughout these instructions.

## What happens after a superannuation entity is registered?

Once an RSE registration is granted, APRA will issue the RSE licensee with a unique registration number for the RSE.

An RSE licensee is then required to include the ABN of the RSE on any document in which it identifies itself as an RSE licensee of the RSE, as required by s.29MB of the SIS Act.

Following receipt of the registration, an RSE licensee must ensure that the RSE meets a number of ongoing requirements including, but not limited to:

- compliance with the RSE licensee law as defined in s. 10 of the SIS Act;
- notifying APRA of any significant breaches (or likely significant breaches) of a prudential requirement within 10 days after the RSE licensee becomes aware a breach has occurred;
- compliance with any conditions of the RSE licence issued to the RSE licensee as they pertain to the superannuation entity; and
- providing reporting information under the FSCOD Act.

Once an RSE has been registered by APRA, the RSE licensee may wish to submit an application to authorise the RSE to offer a MySuper product or to operate as an eligible rollover fund. The relevant approved application forms and instruction guides regarding the authorisation requirements and procedures can be found at APRA's [website](#).

## What is the application process?

The approved form, *Application form – RSE registration*, is available on the APRA website. An Applicant will be able to submit drafts of its application by providing either hard copies or electronic versions to enable consultation with APRA prior to final submission. The Applicant will have the ability to amend its application at any time up until it lodges the forms in their final version.

While there is no legal obligation for APRA to comment on draft applications, APRA will endeavour to provide comments on draft applications as practicable.

**Applicants are strongly encouraged to consult with APRA before lodging a final application for an RSE registration.**

APRA expects an Applicant would include a covering letter with their application. The covering letter would outline the Applicant's business case for applying for registering a superannuation entity and how the documents attached with the application demonstrate the Applicant's likely compliance with the legislative and prudential standard requirements.

### **Penalties for false information**

An applicant should note that giving false or misleading information is a serious offence (see s. 136.1, s. 137.1 and s. 137.2 of the *Criminal Code Act 1995*). Where information is disclosed to APRA as part of this application, APRA may in turn disclose that information in any of the circumstances permitted by s. 56 of the *Australian Prudential Regulation Authority Act 1998*.

### **Guidance on completing the RSE registration form**

Guidance is provided on selected sections of the RSE registration form together with relevant commentary on selected items within these sections.

Lodgement of the RSE registration form, and each document required by the form, must be approved by the Board of the Applicant or by each individual if the Applicant is a group of individual trustees.

An applicant must complete all three parts of the RSE registration. Some items will not apply to every superannuation entity. The registration form indicates areas where this may be the case.

## Part A – General information

Part A of the registration form requests general information about the Applicant and the superannuation entity which the Applicant is seeking to register relating to:

- Applicant details; and
- superannuation entity.

If an Applicant is seeking to register multiple superannuation entities or SAFs, then Part A must be completed for each entity the Applicant is seeking to register.

### DRAFT RSE registration application

The Applicant is to select either 'yes' or 'no' to indicate whether the RSE registration application form and the attached documents are to be considered as draft.

Where 'yes' is selected, the Applicant is not required to sign Part C of the application form.

### A1 – Applicant details

#### Name of RSE licensee

The Applicant must hold an RSE licence granted by APRA (see s. 29L). APRA will however, accept a draft RSE registration application together with an Applicant's application for an RSE licence.

#### RSE licence class

Where an RSE licence has been granted, select the class of RSE licence the Applicant holds from:

<b>Public offer entity licence</b>	<p>A public offer entity licence is defined in r. 3A.01 of the Regulations.</p> <p>Under s. 29D and s. 29E of the SIS Act only a constitutional corporation may hold a public offer entity licence.</p>
<b>Non-public offer entity licence</b>	<p>A non-public offer entity licence is defined in r. 3A.02 of the Regulations.</p> <p>A group of individual trustees must hold this licence class, and will be restricted to operating a superannuation entity that is not a public offer superannuation fund as required by s. 29B and s. 29E of the SIS Act.</p>
<b>Extended public offer entity licence</b>	<p>An extended public offer entity licence is defined in r. 3A.03 of the Regulations.</p> <p>Under s. 29D and s. 29E of the SIS Act, an extended public offer entity licence may only be granted to, and held by, a trustee that is a constitutional corporation and may operate one or more non-public offer superannuation entities and a public offer superannuation entity.</p>

## Contact person – primary

The contact person must be available and have appropriate knowledge of the application to assist with any queries that APRA may have. Where the Applicant has engaged a service provider to assist them in the preparation of the application, the Applicant must provide details of an appropriate contact person at the service provider.

## A2 – Superannuation entity details

### Type of RSE entity

Public offer superannuation fund	Represents a superannuation fund within the meaning of s. 18 of the SIS Act.
Non-public offer superannuation fund	Represents a superannuation fund that is not a public offer superannuation fund.
Approved deposit fund (ADF)	Represents a fund that (a) is an indefinitely continuing fund, (b) is maintained by an RSE licensee that is a constitutional corporation, and (c) is maintained solely for approved purposes (see s. 10 of the SIS Act).
Pooled superannuation trust (PST)	Represents a unit trust the trustee of which is a constitutional corporation and that, under the regulations, is a unit trust to which this definition applies (see s. 10 of the SIS Act).
Small APRA fund (SAF)	Represents a small APRA fund, being a superannuation entity that is a regulated superannuation fund within the meaning of the SIS Act and has fewer than 5 members.

## Member benefit type

Select the type of benefits the beneficiary of the superannuation entity will receive from:

Defined contributions	Represents the present obligation to pay benefits to defined contribution members and beneficiaries. Reference: <i>Australian Accounting Standards</i> .
Defined benefits	Represents the present value of expected future benefit payments to defined benefit members and beneficiaries arising from membership, measured using actuarial assumptions and valuations where appropriate. Reference <i>Australian Accounting Standards</i> .
Defined contributions and defined benefits	Represents the obligation to pay benefits of both defined contributions and defined benefit members.

### Authorisation intentions

Indicate whether the Applicant intends to apply to APRA to authorise the superannuation entity to offer a MySuper product or to operate as an eligible rollover fund.

The Applicant will need to make a separate application for authorisation. The authorisation requirements and application procedures are set out on APRA's website.

## Part B – Likely compliance with SIS Act and prudential standards

Part B requests statements and/or documents to demonstrate the superannuation entity's likely compliance with the prudential standards determined under the SIS Act. It also requests information regarding how the superannuation entity may impact on the Applicant's ability to meet the prudential standard requirements.

The information provided in this Instruction Guide is not intended to be a complete summary of all the relevant requirements and the considerations set out in the prudential standards. An Applicant is advised to refer to the relevant prudential standard and the accompanying prudential practice guide for further information.

While most questions are compulsory, the type of information provided by the Applicant to some questions will vary depending on the particular circumstances of the superannuation entity.

The 'Checklist for Part B' at the end of these instructions outlines all the sections in the part and provides a list of supporting documentation that must be supplied separately with the application under each section.

### B1 – Trust deed

#### B1.1 Trust deed / governing rules

All Applicants are required under s. 29L(2) of the SIS Act to attach an up-to-date copy of the trust deed / governing rules for each superannuation entity for which it is seeking registration. The trust deed must be an executed copy.

Where registering a SAF, the Applicant may rely on a generic trust deed that has been previously provided to APRA. In this case, the Applicant must assign a unique identification number to the copy of the trust deed which corresponds to the specific SAF seeking registration.

#### Deed of retirement and appointment

Where an Applicant is seeking a registration for a self managed superannuation fund (as defined in s. 17A of the SIS Act), as a SAF, the Applicant must attach a copy of the deed of retirement and appointment.

#### B1.2 - Attestation trust deed / governing rules

Under s. 29M(1)(c) of the SIS Act, APRA must be satisfied that the superannuation entity's governing rules do not conflict with Part 6 of the Act before the superannuation entity can be registered.

The Applicant is required to attest whether the trust deed and governing rules of the superannuation entity comply with s. 29L of the SIS Act and do not contravene Part 6 of the Act.

In addition, the Applicant is required to attest that if there is any variation to the trust deed or governing rules while a registration application is pending, the Applicant will provide an up-to-date copy to APRA as soon as practicable.

### B2 – RSE licensee's prudential standards requirements

#### ORFR strategy

Attach relevant documents which demonstrate the analysis undertaken by the Applicant to determine whether the proposed superannuation entity will have an impact on the Applicant's ORFR strategy. If as a result of the analysis, the Applicant has made/ will make changes to its ORFR strategy, the Applicant must attach a copy of the updated/proposed ORFR strategy. Refer to SPS 114 for the requirements in relation to the ORFR strategy.

#### Risk appetite statement

Attach relevant documents which demonstrate the analysis undertaken by the Applicant to determine whether the proposed superannuation entity will have an impact on the Applicant's risk appetite statement. If as a result of the analysis, the Applicant has made/ will make changes to its risk appetite statement, the Applicant must attach a copy of the updated/proposed risk appetite statement. Refer to SPS 220 for the requirements in relation the risk appetite statement.

#### Risk management strategy

Attach relevant documents which demonstrate the analysis undertaken by the Applicant to determine whether the proposed superannuation entity will have an impact on the Applicant's risk management

strategy. If as a result of the analysis, the Applicant has made/will make changes to its risk management strategy, a copy of the updated/proposed risk management strategy must be attached. Refer to SPS 220 for the requirements in relation to the risk management strategy.

### **Business plan – superannuation entity**

Attach a copy of a business plan developed for the superannuation entity. Refer to SPS 220 for the requirements in relation to a business plan. The business plan is expected to outline the Applicant's forecasts of the superannuation entity's projected financial performance for the next 3 – 5 years. The business plan would include the key business drivers such as the number of members, funds under management, fee structure and income, expenses, and number of subplans (if applicable). The projections would detail the assumptions used in determining the forecasts and the reasonableness of such forecasts, including any sensitivity analysis that has been undertaken.

APRA expects the business plan would clearly outline the business rationale for offering superannuation in the Applicant's target market. This should include an analysis of the viability of the business model including what will differentiate the Applicant's superannuation entity from its competitors, target market and any potential conflicts with the business model.

Where an Applicant is registering a SAF, the Applicant may rely on a business plan previously provided to APRA in relation to other SAFs if there are no variations to the document. Where there are no changes, the Applicant must indicate under section B6 the title and version number of the business plan it is seeking to rely on. If there is a variation to the document, the Applicant must attach a revised copy of the business plan.

### **Adequacy of resources**

Attach relevant documents which demonstrate the analysis undertaken by the Applicant to determine whether the proposed superannuation entity will have an impact on the Applicant's adequacy of resources, specifically financial, human and technological. Refer to SPS 220 for the requirements in relation to adequacy of resources.

If as a result of the analysis, the Applicant has made/will make changes to its policies, procedures or resources, the Applicant must attach a copy of the updated/proposed policies and procedures, and details regarding the (intended) changes to its resources.

### **Business continuity plan**

Attach relevant documents which demonstrate the analysis undertaken by the Applicant to determine whether the superannuation entity will have an impact on the Applicant's business continuity plan. Refer to SPS 232 for requirements in relation to a business continuity plan. If as a result of the analysis, the Applicant has made/will make changes to its business continuity plan, the Applicant must attach a copy of the updated/proposed business continuity plan should also be attached.

### **Outsourced material business activities**

Provide the name of any service provider for each material business activity that has arisen as a result of the Applicant seeking to register the superannuation entity. Include information regarding the role of the service provider and indicate whether the outsourced service is offshore. Attach a copy of the outsourcing agreement, or if the agreement has not been executed, any draft agreements.

Any outsourcing agreements for material business activities must comply with SPS 231. This may include activities related to the administration, investment management, custody or promotion of the superannuation entity. A 'material business activity' and 'offshore' is defined in SPS 231.

### **B3 – Prudential Standard SPS 160 Defined Benefit Matters**

Complete this section if applicable. This section does not apply to an Applicant seeking to register a superannuation entity which only provides defined contribution benefits.

### **B3.1 Shortfall Limit**

SPS 160 requires an RSE licensee to set a shortfall limit which is approved by the Board for each defined benefit fund within its business operations. Attach documentation which sets out the shortfall limit set by the Applicant for the superannuation entity.

### **B3.2 Attestation – First actuarial investigation**

SPS 160 requires an RSE licensee to appoint an RSE actuary to carry out a first investigation as at the date of the establishment where a new defined benefit fund is established. For the purposes of the RSE registration form, the date of establishment is taken to mean the date at which APRA registers the RSE.

The Applicant is required to attest that a RSE actuary will be appointed and will carry out a first investigation as at the date of establishment of the defined benefit fund.

## **B4 – Prudential Standard SPS 250 Insurance in Superannuation**

### **Insurance strategy**

An Applicant must comply with s.52(7) of the SIS Act with respect to the insurance covenants. An RSE licensee's insurance strategy must also meet the requirements of SPS 250. Attach a copy of the insurance strategy for the superannuation entity.

Where an Applicant is registering a SAF, the Applicant may rely on the insurance strategy previously provided to APRA if there are no variations to the document. Where there are no changes, the Applicant must indicate under section B6 the title and version number of the insurance strategy it is seeking to rely on. If there is a variation to the document, the Applicant must attach a revised copy of the insurance strategy.

## **B5 – Prudential Standard SPS 530 Investment Governance**

### **B5.1 Investment objectives**

#### *Investment objectives – Investment options*

The Board of the Applicant must approve the investment objectives for each investment option offered in each superannuation entity it is seeking to register. The investment objectives must be documented, specific and measurable. The investment objectives must also meet the requirements of SPS 530.

The Applicant is required to attach documentation which outlines the investment objectives for each investment option in the superannuation entity. Where the investment objectives are included in the investment strategy indicate as such in section B6 of the form.

### **B5.2 Investment strategy**

#### *Investment strategy – proposed RSE / each investment option*

SPS 530 requires the Board of an RSE licensee to approve an investment strategy, in respect of each RSE and for each investment option within the RSE. The investment strategies must reflect an RSE licensee's duties to beneficiaries, including those in s. 52(6) of the SIS Act and Division 6 of Part 2C of the Act. The investment strategies must also comply with the requirements of SPS 530.

Attach a copy of the investment strategy for the proposed superannuation entity, and where it is not included in the investment strategy of the superannuation entity, the investment strategies of each investment option.

Where an Applicant is registering a SAF, the Applicant may rely on an investment strategy previously provided to APRA if there are no variations to these documents. Where there are no changes, the Applicant must indicate under section B6 the title and version number of the investment strategy or strategies it is seeking to rely on. If there is a variation to these documents, the Applicant must attach a revised copy of the investment strategies.

## **B6 – Prudential Standards – Additional matters**

### **Additional matters demonstrating likely compliance with Prudential Standards**

This item is optional.

If the Applicant considers that there are any other matters not otherwise sought in the approved form that it wishes APRA to take into account, attach documents addressing those matters. This item is intended to give the Applicant the opportunity to address any other areas it believes may be relevant to its application.

Where an Applicant is registering a SAF and is seeking to rely on documents previously provided to APRA, the Applicant must provide the title and version number of documents that have been provided to APRA.

Before APRA makes a final decision to decline an application for RSE registration, it will advise the Applicant of its preliminary view and the reasons for it. The Applicant will have the opportunity to show cause why the proposed decision should not be made, and its submission will be taken into account in APRA's final decision.

## **Part C - Attestation**

An Applicant are not required to sign Part C if the Applicant has indicated in Part A that the application form is a draft.

Where the application is final, Part C contains an attestation that must be completed by at least two directors where the Applicant is a body corporate or by each trustee where the Applicant is a group of individual trustees.

## Checklist – Part B – Likely compliance with prudential standards

Use the checklist below to ensure that all relevant forms are completed and supporting documentation, where applicable, is attached.

<b>B1</b>	<b>Trust deed</b>	<b>Attached</b>
B1.1	Trust deed / governing rules	<input type="checkbox"/>
	Deed of retirement and appointment	<input type="checkbox"/>
B1.2	Attestation – Trust deed / governing rules	
<b>B2</b>	<b>RSE licensee’s Prudential Standard requirements</b>	
B2.1	ORFR strategy	<input type="checkbox"/>
	Risk appetite statement	<input type="checkbox"/>
	Risk management strategy	<input type="checkbox"/>
	Business plan – superannuation entity	<input type="checkbox"/>
	Adequacy of resources	<input type="checkbox"/>
	Business continuity plan	<input type="checkbox"/>
	Outsourced material business activities	<input type="checkbox"/>
<b>B3</b>	<b>SPS 160 Defined Benefit Matters</b>	
B2.1	Shortfall limit	<input type="checkbox"/>
B2.2	Attestation – First actuarial investigation	
<b>B4</b>	<b>SPS 250 Insurance in Superannuation</b>	
	Insurance strategy	<input type="checkbox"/>
<b>B5</b>	<b>SPS 530 Investment Governance</b>	
B5.1	Investment objectives	<input type="checkbox"/>
B5.2	Investment strategy	
	- Investment strategy – superannuation entity / investment option	<input type="checkbox"/>
B5.3	Liquidity management plan	<input type="checkbox"/>
<b>B5</b>	<b>SPS 530 Investment Governance</b>	
	Additional matters demonstrating likely compliance with Prudential Standards	<input type="checkbox"/>



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