



Business transactions through payment systems

What to do if you process transactions for business clients through an electronic payment system.

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QC 53114

Summary of BTTPS reporting

A quick summary of who needs to report, due dates, how we use the information and how to correct pre-filled information.

Last updated 1 July 2023

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Who needs to report

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Who needs to report

Organisations that process transactions for their business clients through an electronic payment system need to report these transactions in a *Business transactions through payment systems* (BTTPS) report to us.

Reporting due date

Reports need to be submitted by 31 July each year. Reporters can choose to provide the required data more frequently during the year through monthly reporting or by providing multiple months per report.

How we use this information

The information reported will be used to:

- pre-fill tax returns to make it easier for individuals and businesses to lodge
- ensure businesses comply with their tax obligations, including lodging their tax returns and reporting their income.

Pre-filled income information

If you have information reported to us on your electronic payments, you will be able to view this in myTax. We will provide you with the reporter's name and the gross annual payment. This information will be pre-filled into your tax return.

The pre-filled income can't be deleted as it is 'information only' and has not been pre-filled to a particular label. The pre-fill information is to assist in completing your tax return, and you should rely on your own records to determine the amount of income to be declared.

You must report this income in your tax return if you are carrying on a business.

Selling online

If you sell products or services online, you need to understand whether you are doing it as a hobby or carrying on a business. See [Online selling – hobby or business?](#)

If the income is for personal transactions, you don't need to include it in your tax return or contact us if you exclude amounts that are personal in nature. However, you must keep your own records.

Correcting pre-filled information

We pre-fill income to the entity that earned it based on the information reported to us:

- Our data providers report the client details that are recorded against the account. At times this will lead to income being pre-filled to an individual where it should be declared in a related entity return. For pre-fill to be correct in future years you should update any incorrect account details with your payment provider.
- If you no longer own the account that has been pre-filled, contact the reporter and update the account details. We can't update the information for you or change the pre-filled data.
- If the payment belongs to another entity, contact either
 - the reporter – to update your details if you know who the payment belongs to
 - us – if the reporter and payment is unknown to you.

QC 72955

Work out if you need to report

Find out if your organisation needs to report transactions in a 'Business transactions through payment systems' report.

Last updated 22 November 2021

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Third party arrangements

Transactions processed by a payment gateway

Advising us of third party arrangements

If you are an administrator of an electronic payment system, you need to report the transactions you process for your business clients.

An administrator is any entity that manages and/or controls the processing of payments in a payment system or part of a payment system. This includes any entity that manages and/or controls any instruments and procedures related to the payment system.

Administrators of an electronic payment system can be:

- card schemes
- acquirers
- specialised payment providers
- third party processors.

These organisations may have a reporting obligation if they enable payments for businesses including:

- payments in the merchant acquiring system
- BPAY payments
- direct debit payments
- payments from foreign payment systems.

A payment system is defined by the *Payment Systems (Regulation) Act 1998*.

Third party arrangements

There are situations where both an acquirer and a third party processor will participate in the processing of a transaction.

The reporting obligation will be with the third party processor as they have:

- a direct relationship with the business client
- full visibility of the identity and transactional data that is to be reported.

An acquirer is **not** required to report transactions initiated and reported by a third party processor.

Example

Learn to Sing engages a third party processor to process the direct debit agreements for their clients.

The third party processor collects the information needed by their financial institution, and Learn to Sing is issued with a unique reference ID. This reference ID identifies the Learn to Sing payments processed under their direct debit authority.

The third party processor has the reporting obligation as they have full visibility of both the identity and transactional data of Learn to Sing.

Example

Align Building opens a merchant account directly with an acquirer. The builder is issued with a merchant ID along with a hand-held card reading machine.

The acquirer has the reporting obligation as they initiated the transaction and have full visibility of both the identity and transactional data of Align Building.

Example

Sarah sets up a direct debit agreement with a family member to whom she has loaned money through a third party processor. The loan is private in nature and not related to a business transaction so the third party processor does not have to report.

Transactions processed by a payment gateway

An organisation that provides a business with software to enable the sale of goods or services but does not process the payment transaction does not need to report. The reporting obligation is held by the organisation that processes the payments.

Example

Sarah operates a website to sell her paintings. She has purchased software from Payment Plus that enables her to

accept sales that are processed through her merchant account issued directly from her bank.

The reporting obligation is with her bank as Payment Plus is a payment gateway and does not issue a merchant account or process the payment.

If an organisation provides payment gateway and third party processor services, it should not include the payment gateway transactions in their report.

Advising us of third party arrangements

Acquirers providing merchant and/or BPAY facilities to third party payment processors will be asked to provide their client list annually.

We use this information to contact third party payment processors who do not currently report to us. We then provide them with information on their potential reporting obligations. This aims to ensure a level playing field for all participants in the payment systems industry.

QC 53125

Payments you must report

The transactions made by an electronic payment system you must report for business clients.

Last updated 18 August 2017

You must report all transactions you process for your business clients unless they are specifically exempt – even if you only process them for part of a year.

If a business engaged a third party processor for part of a year and then held a merchant account directly with a bank for the later part of the year, both the third party processor and the bank would report for the periods that they processed the businesses transactions.

Global organisations

If you are part of a global organisation with a presence in multiple countries, you only report on the business clients that the Australian subsidiary engages.

Example

Pro Payments is a global organisation with offices in Australia, Singapore and Germany. Pro Payments has a reporting obligation for the transactions processed by their Australian subsidiary only. If the Singapore subsidiary engages a client that operates a website based in Singapore and the payments are processed in Singapore they will not have a reporting obligation even if the website's clients are from Australia.

QC 53126

Payments you do not need to report

The transactions made by an electronic payment system you don't report for business clients.

Last updated 12 June 2023

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Background

Payments exempt under legislative instrument

International wire transfers

Payments made to charities

Background

Organisations that process transactions for their business clients through an electronic payment system need to report these transactions to us in a **Business transactions through payment systems (BTTPS)** report.

Some transactions don't need to be reported because they're either:

- reported by another entity
- specifically exempt.

Acquirers should exclude transactions through the JCB, American Express and Diners card schemes from their report as we collect data directly from these schemes.

Where an acquirer or authorised deposit-taking institution (ADI) processes transactions on behalf of themselves, these transactions do not need to be reported. For example, if an acquirer has a BPAY biller code used exclusively by their clients to pay their credit card product, they won't have a reporting obligation for this biller code.

Payments exempt under legislative instrument

Some payments are exempt from being reported under a legislative instrument. However, you may report these payments if not reporting them would impose an increased administrative burden on you.

Third party processor payments

If you are an acquirer, you should not report transactions that are processed by a third-party processor. A legislative instrument exists to exempt reporting transactions initiated by another entity and where the other entity is required to report. This will prevent duplicate reporting and ensure that the reporting obligation is held by the entity that has full visibility of the transactional data and up-to-date identity data of the business.

Certain classes of transactions

Certain classes of transactions are exempt from being reported. These are payments made to a:

- carriage service provider
- utility for the provision of electricity, water, sewerage or gas
- government related entity
- general insurer and received in the course of the insurer's insurance business
- life insurer and received in the course of the insurer's life insurance business
- private health insurer and received in the course of the insurer's health insurance business
- superannuation fund, approved deposit fund, or pooled superannuation trust or RSA provider.

You should not report payments processed through the high value clearing system.

Direct entry and new payments platform

Some transactions do not need to be reported. Under Legislative Instrument F2022L1557 the following exemptions apply:

- direct entry direct credit transactions processed by the Bulk Electronic Clearing System
- payments processed by the new payments platform except where that payment is all the following
 - received by a payee under a PayTo Agreement;
 - a successful payment initiation
 - processed after 1 July 2022.

Payments made to a trust account

You should report all payments to a trustee where you reasonably believe the:

- payments are for the purposes of a business
- business is being carried on by the trustee.

Trust accounts of real estate agents and solicitors

Many real estates and solicitors receive payments on behalf of their clients through their trust account. For example, rent to the real estate trust account, or proceeds of the sale of a property to the trust account of a solicitor.

If it is reasonable to believe payments received by the trustee on behalf of their client are not payments for the purpose of a business carried on by the trustee, an administrator of a payment system does not need to report these payments.

International wire transfers

You must not include payments made via an international wire transfer as these are not payments within the scope of the legislation.

Payments made to charities

Your payments processed for a charity:

- don't need to be reported if they are donations made to a charity
- do need to be reported if they are processed for a charity that is operating a business.

Note: If a charity collects online donations that are not payments for goods and services, the payments don't need to be reported. If you provide a payment facility for a charity to use in a store selling second-hand goods and services, you need to report these.

QC 53127

Details you need to report

What to include in a 'Business transactions through payment systems' report.

Last updated 2 May 2018



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Reporting optional fields

Multicurrency transactions



Data fields

The details you must report for each business client includes:

- name
- address
- bank account number
- gross monthly payment amounts.

IT specifications are available to help you to build the report.

IT specifications:

- Flat file – [Business transactions made through payment systems \(BTTPS\) specification v1.0.0](#) 
- XML – [Administrators of payment systems obligations \(APSO\)](#) 

Reporting nil amounts

If one of the transactional data fields does not apply to a particular record, then the field should be zero-filled. For example, if you administer direct debit arrangements, cash out facilities are not relevant to your reporting, so you can zero-fill the Total cash out only amount, Total cash out only count and Cash out component data fields.

If an account has no activity for one or more months then you can choose not to report on that account for those months. This could occur if an account has been opened but there is a delay in commencing operations or if trade is seasonal.

If you do report these accounts in periods where there is no activity, you should report zero against the value fields in the Transaction period summary data record.

Reporting optional fields

If you are lodging in XML format and you are not reporting one or more of the optional fields for a client, you should not include that element for that client.

If you are lodging in flat file and you are not reporting one or more of the optional fields for a client, you should:

- Zero fill where it is a numeric field
- Blank fill where it is an alpha field.

Multicurrency transactions

If your business client accepts payment in a foreign currency, the information reported at Transaction currency needs to be in the currency the payment was either transacted or settled in. If a client transacts/settles in multiple currencies, include a separate Transaction period summary data record for each currency in your report.

Data fields



All data fields to be reported are listed in the IT specifications.

The data fields in the Business data record capture the identity information of your client and the data fields in Transaction Period Summary Data Record capture the information on the transactions occurring in the account.

Listed below is information on some of the data fields contained in the specifications.

Note: The XML specifications are developed in line with the standard business reporting definitions that apply generally across government. There are some instances where the generally accepted definitions are different to the definitions in the Business transactions through payment systems report. If you are preparing your report in XML you should follow the definition set out in the 'report guidance' in the XML specifications.

IT specifications:

- Flat file – [Business transactions made through payment systems \(BTTPS\) specification v1.0.0](#) 
- XML – [Administrators of payment systems obligations \(APSO\)](#) 

Business data record

Customer reference number

The Customer Reference Number (CRN) is a unique client identifier that you generate. It is distinct from the Payment System Account Number and Settlement Account Number and needs to be reported in the Business data record and Transaction period summary data record.

Name

You need to report at least one name for your client. This can be:

- surname and first name
- registered name
- trading name.

Australian business number or Australian company number

The Australian Business Number (ABN) and Australian Company Number (ACN) are optional fields. You should report these if you have them for current clients and should collect and report them for new clients.

Address

At least one address needs to be reported. This can be either a street address or postal address.

Transaction period summary data record

Settlement bank account name

This is the name on the bank account where the transactions that you process are settled. This is an optional field that should be completed if you hold this information.

Settlement bank BSB and account number

This is the BSB and bank account number where the transactions that you process are settled. These fields are mandatory fields.

Where the settlement account number and BSB do not refer to an Australian account or cannot be provided, these fields should be nine-filled in order to report a nil value. For example:

BSB: '999999'

Settlement account number: '99999999999999999999999999999999'

Payment system type

You need to provide a description of the payment system. This is a free text field and can include:

- merchant acquiring system
- BPAY®
- direct debit.

Payment system account number

You need to report the account number allocated to your client.

If you are reporting on the Merchant Acquiring System, this should be the Merchant ID allocated to the business.

If you are reporting on the BPAY Payment System, this should be the BPAY biller number.

If you are reporting direct debits, this should be the APCA number, BUDS ID or BECS ID.

Gross payment amount

You need to report the total value of transactions processed through your client's account each month. This is the gross amount before any refunds or fees are deducted.

Cash outs

If you process cash outs you need to report the transaction against two data fields. The amount of the cash out should be included in the 'Gross sales amount' **and:**

- where the transaction is for cash out only (that is there is no purchase involved in the transaction), the cash out should also be reported against 'Total cash out only amount'
- where the transaction includes a purchase and cash out the cash out should also be recorded against 'Cash out component amount'.

Example

A supermarket allows a customer to take \$100 cash out without making a purchase, so the report includes:

- \$100 Gross payment amount
- \$100 Cash out only.

Another customer makes a \$70 purchase of goods and gets \$30 cash out, so the report includes:

- \$100 Gross payment amount
- \$30 Cash out component amount.

Corrections and chargebacks

You need to report corrections and chargebacks as refunds at Total refund amount and total refund count. Corrections and chargebacks include fraudulent transactions and reversals.

Example

Learn to Sing processes a payment for \$110 that should have been \$101. They refund the original transaction and reprocess the payment for the correct amount. The amounts reported would be \$211 at Gross Payment Amount and \$110 at Total Refund Amount.

QC 53128

Lodging your report

How to lodge a Business transactions through payment systems report.

Last updated 8 April 2021

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Testing your report
How to report amendments
How to report cancellations
How to report omitted data
Exemptions from lodgment
Penalties for not reporting

Organisations that process transactions for their business clients through an electronic payment system must report these transactions to us by lodging a *Business transactions through payment systems* report.

You need to lodge your report by **31 July** for the previous financial year. You can also lodge more frequently if you prefer, for example monthly or quarterly.


You can prepare your report using Flat file or XML format. Flat file can be lodged using Online service for business and XML can be lodged using either Online services for business or Standard Business Reporting (SBR).

See also:

- Online services for business
- Business transactions through payment systems

Testing your report

There is an external vendor testing environment for you to test your software before you start reporting. You should use this facility to test your software using mock data.

- To obtain a user ID and password for the test facility, complete the [file transfer test facility registration](#) .
- Once you complete the online form, you will receive notification of your user ID and password in one to three days.
- If you need help in using the test facility (including password resets), you can either
 - email ATOBulkDataTransfer@ato.gov.au

- phone **(02) 6216 4004** between 8.30am and 4.30pm, Monday to Friday AEST.

The test facility can be accessed from the same location.

Once you've built and tested your software, you can test your report before you lodge in Online services for business by choosing the **test** function.

This will highlight any errors and warnings you will receive if you were to lodge your file. You will need to fix any errors before lodging your report.

How to report amendments

If you identify an error in a data field in the Transaction period summary data record, you need to submit an amendment for that record.

If you identify an error in a data field in the Business data record, you don't need to lodge an amendment. You can provide updated details in the following report.

If you identify an error in data fields in both the Transaction period summary data record and business data record, you should amend all fields where an error is identified.

When lodging an amended report you need to:

- report the Intermediary, Reporting party and Business data records exactly as they were in the original report, except for the information that is being amended
- ensure the date timestamp report created field in the Intermediary data record contains the new file creation date
- report all fields in the Transaction period summary data record that haven't changed, exactly as they were in the original report
- report amended data in each applicable data field
- report Lodgment type = A in Business data record.

You don't need to resubmit the entire file. Only resubmit the record that is being amended.

If the customer reference number (CRN) changes, you need to cancel the record and submit a new original record. You cannot amend a record where the CRN changes.

How to report cancellations

You need to cancel a record if:

- you identify multiple or significant errors
- a transaction was incorrectly attributed to a client
- the CRN of your client has changed (the CRN is a primary field and must be the same each time a business is reported on).

When lodging a cancelled report you need to report the following exactly as they were in the original report:

- intermediary data – the date timestamp report created field in the intermediary data record **must** contain the new file creation date
- reporting party
- business and transaction summary data records (report Lodgment type = C in Business data record).

How to report omitted data

If you identify that information has been omitted from a record you need to submit an amendment to report the omitted information.

Exemptions from lodgment

You can apply for an exemption from reporting data by writing to the Commissioner of Taxation outlining the reasons why you should be exempt.

Address your letter to:

Commissioner of Taxation

Australian Taxation Office

GPO Box 9990

[insert the name and postcode of your capital city]

For example:

Australian Taxation Office
GPO Box 9990
SYDNEY NSW 2001

Penalties for not reporting

We will work with you so that you understand your reporting obligations and have access to all the information you need to prepare and lodge your report.

Penalties may apply if you fail to lodge your report by 31 July each year.

We will not penalise you for genuine errors or omissions but a penalty may apply for intentional false statements.

QC 53130


Definitions

Terms you need to understand if you process transactions for business clients using an electronic payment system.

Last updated 2 May 2018

On this page

- Acquirer
- Administrator
- Aggregator
- Authorised deposit-taking institution
- BPAY biller
- Direct debit
- Intermediary
- Internet merchant account
- Merchant



- Merchant account
- Payment system
- Reporter
- Third party processor
- Specialised payment provider

Acquirer

An acquirer processes credit and debit card payments on behalf of a merchant and accepts or acquires card payments from schemes such as Visa, MasterCard or China Union Pay.

Administrator

An administrator is any entity that is involved in the management and/or control of the processing of payments in a payment system or part of a payment system. This includes any entity involved in the management and/or control of any instruments and procedures related to the payment system.

Administrators of an electronic payment system can be:

- acquirers
- authorised deposit-taking institutions
- specialised payment providers
- third party processors.

Aggregator

An aggregator has a merchant account with an acquirer which is used to process debit and credit card payments for their business clients. They allow their clients to accept payment by debit and credit card instead of opening a merchant account directly with an acquirer or card scheme. An aggregator operates in the merchant acquiring system.

Two aggregation models are:

1. The aggregator holds a single Merchant identification (referred to as MID) and facilitates payments for multiple business clients under this MID. The aggregator issues their client with unique reference numbers to identify which business is receiving the payments.
2. The aggregator issues each of their clients with a unique MID.

An aggregator may also process payments through other payment systems such as BPAY or Direct entry. 'Aggregator' is not used to describe a participant in these other payment systems.

Authorised deposit-taking institution

Authorised deposit-taking institution (ADI) describes a corporation that is authorised under the *Banking Act 1959* to take deposits from customers. ADIs include banks, building societies and credit unions.

BPAY biller

BPAY is a payment system that facilitates electronic payments. A BPAY Biller is an entity that has been issued with a unique BPAY biller ID to facilitate electronic payments for themselves or their clients.

Direct debit

Direct debit transactions are processed through the Direct entry system. Organisations that process direct debits are known as debit users. They hold an Australian Payments Network number (also referred to as a Direct entry user ID, BECS ID or BUDS ID) which is a unique identifier that recognises they are approved to use the Direct entry system. A debit user can only process direct debits where a direct debit request (DDR) authority has been provided by their client.

Intermediary

An intermediary is an entity who lodges a report with the ATO and could lodge on behalf of a reporting entity. If you are lodging on your own behalf, you need to complete the Intermediary data record as well as the Reporting party data record.

Internet merchant account

An internet merchant account allows businesses to accept card payments in an e-commerce or online environment. They are distinct from traditional merchant facilities and consider additional risk factors inherent to online shopping and card not present transactions. You should report on these accounts in the same way as you would a traditional merchant account.

Merchant

A merchant is used to describe an entity that is in the business of buying and selling goods and services for a profit.

Merchant account

A merchant account allows a business to accept debit and credit card payments from their customers. A merchant account is established under a merchant agreement between an acquirer and the merchant. When an aggregator processes the payments on behalf of their clients through their merchant account they will also be a party to the agreement. The agreement contractually binds the merchant to abide by the regulations set by the card schemes.

Payment system

The *Payment Systems (Regulation) Act 1998* defines a payment system as a funds transfer system that facilitates the circulation of money, and includes any instruments and procedures that relate to the system.

Reporter

A reporter is an administrator of a payment system that has a legal obligation to lodge reports with us.

Third party processor

A third party processor facilitates payments on behalf of their clients through an electronic payment system/s including the merchant acquiring system (as an aggregator), BPAY (as a Participant Institutional Member) and direct debit (as a Debit User). A third party processor typically holds a MID, APN number or BPAY biller ID and

processes all transactions using unique reference numbers to identify their clients.

The term 'third-party processor' includes payment facilitators.

Specialised payment provider

A specialised payment provider administers an alternative payment system to the merchant acquiring, BPAY and direct debit systems where the transactions are not already captured and reported to us.

For example, a Purchased payment facility, as recognised by the *Payment Systems (Regulations) Act 1998*, is a specialised payment provider and has an obligation to report data to us.

QC 53131

Our commitment to you

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.

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