From 2022, the ATO have introduced some changes to bank interest prefill. This includes a certainty indicator, which can either be **Y** or **N**. If Y, then the ATO has high confidence in the interest amount and you will need to provide an adjustment reason code in order to adjust the amount.

Three new fields have been added to Tax Assistant. They are:

- Indicator – imported from the ATO prefilling report. Can be either **Y** or **N**
- Reason Code – select from the drop down list. Valid codes are:
    - C – Child account
    - P – Joint account partner
    - I – Joint account individual
    - N – Joint account non-individual
    - U – Unknown amount
    - D – Duplicate amount
    - E – Previously declared
    - G – Incorrect amount
    - F – Family law agreement
    - O – Other
- Reason description – enter a description if code '**O – Other**' has been selected

ATO Rejection:

Where the Indicator has been marked **Y** and you have adjusted the interest amount without including a reason code, you will receive the following rejection message when lodging the return.

CMN.ATO.IITR.EM00070	Interest adjustment reason code must be provided	The amount of interest income stated is less than the information the ATO has confidence in for your client. Please provide a reason for the interest income not matching the ATO's information.

In addition, the following warning validation will appear if you have adjusted the interest amount but did not enter a reason code.

"W001 - If the Interest certainty indicator (ATO Indicator) is "Y" and the prefill interest amount has been adjusted, you need to select a "Reason Code". If Other is selected, you also need to enter the "Reason Description""

This warning message will not stop the return from validating however the ATO will reject the return.
Completing this worksheet

The 3 new fields cannot be modified for manually entered data. Please enter the Description, Country (for non-resident), TFN Amount, Gross amount and Share percentage.

For prefilled amounts:

- If Indicator is **N** – Reason code and Reason description are disabled. You are free to adjust the interest amount
- If indicator is **Y** – You must also include a Reason code and Reason description (if code O – Other is selected) in order to adjust the interest amount

Additional Resources

Software Assistant Webinar:

https://taxtraining.thomsonreuters.com.au/products/software-assistant/webinars/2022-tax-changes-webinar-part-5-bank-interest-prefill/

ATO Prefilling 2022:

https://www.ato.gov.au/Tax-professionals/Prepare-and-lodge/In-detail/Pre-filling-reports/Pre-filling-2022/?anchor=Highcertaintyinterestdata&anchor=Highcertaintyinterestdata#Highcertaintyinterestdata