

Compilation of Financial Institutions' Return

Guidance Notes

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Revisions Log

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List of Abbreviations

MFSA	Malta Financial Services Authority
FI Act	Financial Institutions Act Cap 376
FIR	Financial Institutions Rules
BRs	Banking Rules
LH	License Holder
FI	Financial Institution
IFR	Interim FI Return
AFR	Annual FI Return
AAFR	Audited Annual FI Return
Q1/2/3	Quarter 1/2/3
PIs	Payments Institutions
EMIs	Electronic Money Institutions
ECB	European Central Bank
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
CRR	Capital Requirements Regulation
NCA	National Competent Authority
IRB	Internal Ratings Based Approach
CET1	Common Equity Tier 1
FVOCI	Fair value through other comprehensive income

1. Introduction

As the single regulator for financial services in Malta, the Malta Financial Services Authority (“**MFSA**” or “**the Authority**”) is responsible for the authorisation and supervision of entities operating within the Payments and Electronic Money industry, which are in turn governed by inter alia, the Financial Institutions Act Cap 376 (“**FI Act**”).

In 2024, the MFSA has issued a Return applicable to FIs (“**the Return**”) in order to collect the data necessary for its supervisory engagements. In this respect, these Guidance Notes are intended to provide the relevant stakeholders with guidance on the compilation of the FI Returns.

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2. Access & Compatibility of the Return

For each submission, the License Holder (“LH”) is required to compile and submit the latest version of the Return. In this respect, prior to every submission, the FI is required to download the latest version of the Return from the [MFSA Website](#). This is because the MFSA may, from time to time, update or amend the Return. The version control convention follows this pattern; “v:24-01-a” where “24” refers to the year of the update, “01” refers to the iteration within that year, and “a” refers to an immaterial change. When considering the version, please ignore the final letter.

The Return is supported by Microsoft Office 2013 suite onwards. Note that although programme applications may still access Microsoft Excel, they may jeopardize the integrity of the contents within the Return. In this regard, when programme applications other than Microsoft Excel are utilised, the LH is requested to ensure that the integrity and protection of the downloadable document are maintained at all times. Kindly note that the Return must be saved in *Microsoft Excel Spreadsheet (.xlsx)* format.

It is reiterated that **the sheets and workbook’s protection should at no point be broken**. Should a LH encounter technical difficulties please contact the Authority on SUFintech@mfsa.mt or contact the Relationship Manager with who you usually correspond with. Should the submitted return be found to have its structure and/or protection compromised may be rendered invalid, in which case, the License Holder would be deemed to have failed to comply with the Rules.

3. Submission of the FI Return.

LHs are mandated to submit the Return in accordance with the following stipulations:

1. The LH shall prepare an **Interim FI Return (IFR)**, at dates three, six and nine months after the accounting reference date. The first IFR should cover the three months immediately following the accounting reference date, the second IFR should cover the six months immediately following the accounting reference date and the third IFR should cover the nine months immediately following the accounting reference date. The IFR must be submitted within **one month** following the reporting date.
2. The **Annual FI Return (AFR)** is to cover a twelve-month period and should be submitted annually, within **one month** of the accounting reference date.
3. The **Audited Annual FI Return (AAFR)** must be submitted within **six months** of the accounting reference date, accompanied by the Audit Pack as detailed in the Financial Institutions Rulebook.

For detailed guidance on the expected submission dates and methods for FIs, LHs are advised to consult the FI Regulatory Documentation Submissions Guide available on the MFSA website.

It is important to note that, within the same financial year, the Return should be compiled on a cumulative basis. All Returns must be uploaded in *Microsoft Excel Spreadsheet (.xlsx)* format via the LH Portal. Additionally, LHs are required to submit the Representations Sheet for the respective Return, signed in original by a minimum of two Directors, or by any person authorised through a Board Resolution. For the AAFR, the Representations Sheet must also include the signature of the External Auditor.

While this guidance is comprehensive, it is not exhaustive. Submissions that fail to adhere to these guidelines may be considered invalid, resulting in the LH being deemed non-compliant with the Rules.

4. Compilation of the Return

This Section provides detailed explanations with respect to the compilation of several sheets within the Return, which are divided into 4 sections as follows;

- 4.1 Generally Applicable Guides
- 4.2 Standard Templates
- 4.3 Regulatory Templates
- 4.4 Operations

4.1 Generally Applicable Guides

This section outlines four essential checks to be conducted during the compilation of the Return:

- (i) Confirm the use of the most recent version available.
- (ii) Verify the application employed is fully compatible with Microsoft Excel and that the file's integrity is preserved at all times.
- (iii) In the event of file corruption, initiate the process anew or reach out to the MFSA for assistance.
- (iv) For any technical difficulties encountered, please contact the MFSA for support.

The compilation process of the Return should commence with the first worksheet (Cover Sheet), with details being methodically entered as required, beginning from the top and proceeding to the end of each sheet. Additionally, users can navigate between sheets using the Index Sheet, with further instructions available in the Index Sheet section. It is important to note that sheets and cells are password-protected, with the exception of cells highlighted in grey. These grey cells are intended as guides for users, indicating where data needs to be inputted.

Unless specifically instructed otherwise, or if the corresponding validation is green, all grey cells must be filled. If a data point is not applicable to the LH's scenario, enter "0".

A *yellow*, "Check", validation system has been adopted, flagging instances where regulatory requirements might not be met, the nature of the reported data appears contradictory, or deviates from the norm. Therefore, it is incumbent upon FIs to thoroughly verify that the entered data is accurate. In cases where no corrections are needed, the Return may still be submitted with *yellow* validations.

4.2 Standard Templates

(1) Cover Sheet

DP Code	Details	Comment
FI-CS-1	Document Type	<p>The Document type is selected from the dropdown menu, which distinguishes between the three types of returns mentioned in Section 3 of this Guidance. The document type should reflect the respective period type for which the Return is being compiled.</p> <p><i>Failure to select the appropriate document type may invalidate certain validations.</i></p>
FI-CS-2	Name of LH	<p>The user is required to select the name of the Entity.</p> <p><i>The FI Return cannot be compiled without selecting the LH Name. Should the institution fail to identify its name from the predefined list, the institution is to contact the Authority at its earliest.</i></p>
FI-CS-6a	Reporting Period (From)	<p>The IFRs are cumulative in nature, thereby reflected by these entries. The period must start from the first day of the financial year being reported.</p> <p>Insert dates using “/” or “-”, as a delimiters (ex: 01/01/2022). The delimiter “.” is NOT compatible and will render the Return invalid.</p>
FI-CS-6b	Reporting Period (To)	<p>This date is to be filled in after FI-CS-6a to ensure successful loading of the Return.</p> <p>Insert dates using “/” or “-”, as a delimiters (ex: 31/12/2021). “.” will render the Return invalid.</p>
FI-CS-8	Reporting Currency	<p>The Return is to be prepared in the same currency used in the Audited Financial Statements (“AFS”).</p>
FI-CS-9	Exchange Rate	<p>With respect to the exchange rate, please ensure that this is quoted from the ECB’s website, as at the end of reporting period.</p> <p>The reporting currency shall be the base currency. If the reporting currency is EUR, please fill-in “1”.</p>
FI-CS-10	Accounting Framework	<p>The user is required to specify the accounting framework used to prepare the Return, where the accounting policies shall be consistent with those adopted in the Audited Financial Statements.</p>

(2) Representations Sheet

The Representations Sheet functions as the signature sheet of the Return, where the Directors of the LH, or any other individual authorised by a Board Resolution, are required to sign. This act signifies their review and confirmation of all declarations listed within this sheet. The Representations Sheet must be submitted with original/authentic signatures as delineated in the Financial Institutions Rulebook.

The LH is responsible for accurately completing the Sheet and responding to all statements in relation to the relevant period. For instance, statement (i) states, "The License Holder did not register a shortfall on any of the capital requirements as applicable to it under the respective rules and regulations." Should there be a recorded shortfall in the capital requirements at any point within the financial year, even if rectified later, the response to this statement must reflect the occurrence of the shortfall within the reporting period.

FI-REP-014 provides a space for free text, allowing LH to include any general comments regarding the submission of the Return.

It is imperative for LH to remember that the ultimate responsibility for submitting the Return by the designated deadline, as outlined in the Rules, lies with the Directors. They must ensure the accuracy and integrity of the reported content, safeguarding against any form of misrepresentation, omission, or miscalculation of material items. This responsibility holds irrespective of the official(s) assigned to populate the Return.

(3) Index Sheet

Prior to submitting the Return to the MFSA, the Institution must verify that all validations are marked "OK" (green). In cases where the validation appears as "Check" (yellow), it is imperative that the user reviews and confirms the accuracy of the reported data. Should the "Check"/Yellow validation indicate a requirement shortfall, the LH is obligated to provide a detailed explanation of the shortfall to the Authority as well as propose an action plan by which the shortfall is to be remediated. Any validations marked as "Error" or Red, must be addressed and corrected in the relevant sheet prior to the submission.

Submissions that display the "Error"/Red validation, risk being considered invalid and non-compliant. To prevent non-compliance, if the cause of the error is unclear, LHs are advised to contact the Authority for guidance prior to the submission deadline. In instances where the MFSA acknowledges that the validation may be flagging a false negative, a corresponding comment can be included in FI-REP-014 within the Representations Sheet. Additionally, the Index Sheet is designed to enhance the user experience of navigating the Return. It contains links to all other sheets for ease of access. Adjacent to the name of each sheet listed on the

Index Sheet, there is an arrow. When toggled, this arrow will automatically direct the user to the respective sheet.

(4) Input Sheet

The Input Sheet serves as a pivotal foundation for the automation of numerous sheets within the Return and is segmented into eight distinct sections:

1. Company Profile
2. Income
3. Expenditure
4. Movements effected through the Statement of Changes in Equity
5. Statement of Other Comprehensive Income
6. Assets
7. Liabilities
8. Capital & Reserves
9. Others

It is imperative that all amounts entered in this sheet are reflected as positive values. This holds true even for figures representing expenditure and liabilities, except in instances where the entity has incurred a loss concerning a specific data point.

Reference is made to Annex 2 for a clear explanation on the classification of Residency (Malta – EU/EEA – ROW), applying the 'Centre of Economic Interest' concept. However, the Authority notes that in cases where the split is not possible, the default entry should be with Residents of Malta.

While the data entry process is designed to be intuitive and self-explanatory, the following additional comments are provided for further clarity and guidance.

DP Code	Details	Comment
FI-IP-11 to FI-IP-110	Income from licensable activities	Data points from FI-IP-11 to FI-IP-110 represent the income derived from the licensable activities under the FI ACT. The LH is required to report the income earned from each of these activities.
FI-IP-112	Investment Income - earned from clients' fund	This data point requires the LH to report the income that is solely derived from investing client funds . This pertains specifically to instances where the LH opts to utilise investment methods as the safeguarding arrangement for client funds. Investment income that does not utilise client funds must be reported in FI-IP-111.

FI-IP-I22	Interest income from bank deposits - clients' fund	This data point requires the LH to report the interest income that is solely derived from safeguarding client funds account. This pertains specifically to instances where the LH opts to utilise segregation method as the safeguarding arrangement for client funds.
FI-IP-I23	Interest income from loans and advances granted to group entities	This data point requires the LH to report the interest income that is solely derived from loans and advances granted to group entities. <i>Note – This data point is not applicable to Lending institutions.</i>
FI-IP-I25	Interest income from loans and advances granted to both connected entities and third-party entities	This data point requires the LH to report the interest income derived from loans and advances granted to both connected entities and third-party entities. <i>Note – This data point is not applicable to Lending institutions.</i>
FI-IP-E38	Negative interest paid to banks	This data point requires the LH to report charges paid to bank for parking the funds with them.
FI-IP-A2	Intangible assets	This datapoint requires the LH to report the Intangible Assets under the 3 categories available in the FI Return.
FI-IP-A2 (iii)	Prudently valued software assets, the value of which is not negatively affected by resolution, insolvency or liquidation of the company (as stipulated by REGULATION (EU) 2019/876.	Software intangible assets can be assessed for their qualification as “prudently value software assets, the value of which is not negatively affected by resolution, insolvency, or liquidation of the company”. For this assessment LHs are to refer to REGULATION (EU) 2019/876. Note that, as also stipulated in REGULATION (EU) 2019/876, such software assets have a different prudential treatment to other forms of intangible assets. Please refer to Amending notice (2020/2176) to the Commission Delegated Regulation (EU) No 241/2014. The respective applicable deduction to Own Funds is to be calculated by the institution and inserted in FI-OF-032a on the ‘OwnFundsCalc’ sheet.
FI-IP-A7 (ii) FI-IP-A15 (ii)	Amount due from payment service providers/distributors/agents/intermediaries	This data point requires the LH to report the amount due from payment service providers/distributors/agents/intermediaries as

		part of the execution of a payment transaction, and it does not include any collateral deposits placed with them. Examples of these parties are card schemes, PSPs involved in the payment transaction, and service providers involved in the payment transaction, etc.
FI-IP-A7 (iii) FI-IP-A15 (iii)	Collateral deposits or reserves held with payment service providers/ distributors/ agents/ intermediaries	This data point requires the LH to report any collateral deposits or reserves placed with payment service providers/ distributors/ agents/ intermediaries for the execution of a payment transaction. It includes both fixed reserves and rolling reserves placed with them.
FI-IP-A11 (ii)	Investments: funds attributable to customers	This data point requires the LH to report the current value of investments made with investing clients' funds. This pertains specifically to instances where the institution opts to utilise the investment method as the safeguarding arrangement for client funds.
FI-IP-A16 (i)	Bank accounts – client funds	This data point requires the LH to report the balances held with safeguarding account. This pertains specifically to instances where the institution opts to utilise segregation method as the safeguarding arrangement for client funds.
FI-IP-L4 (ii) FI-IP-L8 (iii)	Collateral deposits/reserves collected from clients	This data point requires the LH to report any collateral deposits or reserves collected from clients for the execution of a payment transaction. It includes both fixed reserves and rolling reserves collected from them.
FI-IP-L4 (ii) FI-IP-L8 (iv)	Amount due to payment service providers/distributors/agents/intermediaries	This data point requires the LH to report amount due to payment service providers/ distributors/ agents/intermediaries. Examples of these parties are card schemes, PSPs involved in the payment transaction, and service providers involved in the payment transaction, etc.
FI-IP-L8 (i)	Trade payables: funds attributable to clients as part of the execution of a payment transaction	This data point requires the LH to report the balances owed to clients as part of the execution of a payment transaction.
FI-IP-L8 (ii)	Trade payables: funds attributable to clients as part of the issuance of e-money	This data point requires the LH to report the balances that owed to clients as part of the issuance of e-money.
FI-IP-R4a	Revenue reserves as per the latest audited accounts	This data point requires the LH to report the retained earnings as per the latest available

		audited financial statements. For more details refer to Articles 4(1)(123) and 26(1) point c of CRR
FI-IP-R4b1	Movement in Revenue Reserves: a) Profit / (loss) and other comprehensive income other than interim profit/ (loss) and other comprehensive income	The LH holder is required to report this data point when the audited financials of the previous year have not yet been submitted to the Authority, i.e., in Quarter 1 after the year-end. During Q1, the institution is required to report the Retained Earnings, but the audited financial statements are not yet available. Therefore, this data point should capture the profit or loss and other comprehensive income for the previous year, which have not yet been included in the audited retained earnings (FI-IP-R4a) or in the interim profit or loss and other comprehensive income (FI-IP-R4c). This ensures that the profit generated after the audited financials and before Q1 is properly recorded.
FI-IP-R4b2	Movement in Revenue Reserves: b) Dividend Paid	The LH holder is required to report the dividends paid during the reporting period. Note: Kindly ensure that in Quarter 1, where the audited financial statements are not available, the institution is permitted to report any dividends paid after the audited financial year-end and up to the end of the reporting period.
FI-IP-R4b3	Movement in Revenue Reserves: c) Transfer in/out of retained earnings	The LH holder is required to report any movements in revenue reserves other than those mentioned in datapoints FI-IP-R4b1 and FI-IP-R4b2. Note: Kindly ensure that in Quarter 1, where the audited financial statements are not available, the institution is permitted to report any movements that occurred after the audited financial year-end and up to the end of the reporting period.
FI-IP-R4c	Interim profits/(loss) for the reporting period	This data point requires the LH to report the profit/loss for the reporting period, which is not yet verified by an external auditor. Also, Institutions must follow Articles 26(1) point(c), 26(2) points (a)(b), and 36(1) point (a) of CRR.
FI-IP-R7	Other Reserves	<i>Refer to Article 4(1)(117) and 26(1) point (e) of CRR</i> This data point requires the LH to report the carrying value of both the capital contribution reserve and other reserves, net of any foreseeable tax charge at the time of calculation.

		<p>It is to be noted that any amounts reported in FI-IP-R7a and FI-IP-R7b would contribute to the calculation of Own Funds. Therefore, as per Article 26(3) of the Capital Requirements Regulation (EU/575/2013), the institution is to contact the MFSA before qualifying 'Other Reserves' and/or 'Capital Contribution' as CET 1 (Article 26(1)(e)).</p> <p>Capital contribution must be disclosed separately under FI-IP-R7a. FI-IP-R7b must reflect CET 1 items as per Article 26(1)(e) other than capital contribution, only after permission is granted by the Authority (Article 26(3)).</p>
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Consistent with International Accounting Standard (IAS) 1(88), entities are required to recognise all items of income and expense in a period in profit or loss, unless specified otherwise by the International Financial Reporting Standards (IFRS). Certain IFRSs mandate or allow for specific components to be excluded from profit or loss, and instead, be accounted for in other comprehensive income. The components that constitute other comprehensive income include:

1. Gain/ Loss on revaluation of intangible assets.
2. Gain/ Loss on revaluation of fixed assets.
3. Unrealised gain/loss on financial assets measured at fair value through other comprehensive income.
4. Realised gain/loss on financial assets measured at fair value through other comprehensive income.
5. Gain/ Loss on revaluation of available for sale Financial Assets.
6. Gain/ Loss on foreign exchange differences recognised in other comprehensive income.
7. Other items of income and expenses included in other comprehensive income.
8. Tax income/ expense relating to components of other comprehensive income.

These guidelines are aligned with the principles of IFRS and are intended to ensure accurate and comprehensive financial reporting within the Return. It is crucial for entities to adhere to these standards to maintain consistency and reliability in financial reporting.

Note: Please note the following instructions as well while updating the input sheet.

- (i) *The LH is expected to report all income and expenses on a cumulative basis, i.e., the institution is required to report all income and expenses that occurred during the **reporting period**. This period spans from the date specified on data point FI-CS-6a to FI-CS-6b located on the 'Cover Sheet' of the FI Return.*

- (ii) *The LH is expected to report the carrying value of all assets and liabilities as at the **end of the reporting period.***

(5) Income Statement and Balance Sheet

The Income Statement and Balance Sheet sheets within the Return are fully automated, offering a comprehensive snapshot of the LH's financial status for the reporting period. Their primary purpose is to facilitate an effortless review by the LH's senior officials and Directors. Importantly, the Balance Sheet is designed to identify and flag any instances of imbalances. These imbalances require rectification, which should be addressed through accurate and thorough reporting in the Input Sheet. This feature ensures that the financial reports remain accurate and reflective of the Financial Institution's true financial position.

4.3 Regulatory Requirements

(1) Safeguarding Requirements

The LH is required to update the 'Safeguarding Requirement Sheet' with details of clients' funds held with the institution and the amount safeguarded against these funds. The reporting framework on safeguarding requirements consists of two sections:

- Section 1 - Total funds received and safeguarded amounts.
- Section 2 - Safeguarded amounts by method, safeguarding entity, and safeguarding instrument.

Section 1

DP Code	Details	Comment
FI-SF-001a	Total electronic money outstanding as at the end of the reporting period.	This data point requires the LH to report the outstanding balance of e-money issued by the institution as at the end of the reporting period.
FI-SF-001b	Total funds held with the institution for the execution of payment transactions as at the end of the reporting period	<p>Payment institutions undertaking payment activities and e-money institutions engaged in unrelated payment activities are mandated to safeguard the following funds:</p> <ul style="list-style-type: none"> •Funds received from clients of the institution specifically for the execution of a payment transaction. •Sums received from a Payment Service Provider (PSP) for the execution of a payment transaction on behalf of their clients. <p>This data point requires the LH to report any outstanding balances of the aforementioned funds held with the institution as at the end of the reporting period.</p>

FI-SF-001d	Total safeguarded amount	This data point requires the LH to report the total monetary value of safeguarded funds held with the institution using various methods of safeguarding, as at the end of the reporting period .
FI-SF-001f	Additional information	<p>The LH is required to update this section only if the total outstanding e-money and the total funds held with the institution for the execution of payment transactions at the end of the reporting period do not match the total monetary value of safeguarded funds held with the institution using various methods of safeguarding. This data point has three sections: '(i) Name of Item,' '(ii) Item Description,' and '(iii) Amount in Ref. Currency.'</p> <p>(i) Name of Item: The LH is required to update the item that led to the discrepancy between the above-mentioned balances. For example, a buffer maintained with the safeguarding account, timing differences, other institution funds held with the safeguarding account, client funds held with card schemes, client funds held with service providers, etc.</p> <p>(ii) Item Description: The LH is required to provide a brief description of the item. For example, if a buffer is maintained, the institution is required to provide the reason for maintaining this buffer and also the assumptions and estimates considered while calculating the buffer.</p> <p>(iii) Amount in Ref. Currency: The LH is required to report the specific balances related to the item reported.</p>

Section 2

The LH is required to update the specifics of various methods employed to safeguard clients' funds within this designated section. A dedicated data point has been assigned for each method permitted by the Authority. For a more comprehensive understanding of the details encapsulated in these data points, please refer to the table presented below.

DP Code	Details	Comment
FI-SF-003	Total deposited in a separate account in an authorised credit institution.	<p>This data point requires the institution to report the total of all client account balances held with authorised credit institutions in the EU as at the end of the reporting period.</p> <p><i>For the definition of authorised credit institution, kindly refer to Article 4(1) of the CRR.</i></p>
FI-SF-004	Total invested in approved secure low-risk liquid assets held in a separate	The institution can safeguard clients' funds by investing the client funds in secure, liquid assets approved by the Authority and placing those assets in a separate account with an authorised custodian. This data point requires the institution to

	account with an authorised custodian.	report the market value of all these investments used for safeguarding clients' funds as at the end of the reporting period . <i>For the definition of secure low-risk liquid assets, kindly refer to SL 376.4 Article 7(1A)(a)</i>
FI-SF-005	Total covered by an insurance policy or some other comparable guarantee from an authorised insurance company or credit institution.	The institution can safeguard clients' funds through an insurance policy with an authorised insurer for covering the clients' funds, or a comparable guarantee given by an authorised insurer or an authorised credit institution. This data point requires the institution to report the total value of all insurance policies or comparable guarantees used for safeguarding client funds as at the end of the reporting period . <i>For further information on insurance policy or other comparable guarantee, kindly refer to Article 5(1B) of the FI Act.</i>

For each of the datapoints included above, the LH is required to update the following titles: (i) Name of safeguarding institution, (ii) Jurisdiction, (iii) Details of safeguarding instrument, (iv) Funds held in exchange for issuing electronic money, and (v) Funds held for the execution of payment transactions.

Please refer to the table presented below for a more comprehensive understanding of these titles.

Details	Comment
Name of safeguarding institution	The LH is required to update the name of the authorised institution where the clients' funds are held, invested, or covered by an insurance policy or comparable guarantee.
Jurisdiction	The LH is required to select the country where the clients' funds are held, invested, or covered by an insurance policy or comparable guarantee.
Details of safeguarding instrument	The LH is required to update the details of safeguarding instrument issued by the authorised institution where the clients' funds are held, invested, or covered by an insurance policy or comparable guarantee. Examples of safeguarding instruments include shares, debentures, bonds, safeguarding account, insurance policy etc.
Funds held in exchange for issuing electronic money.	The LH is required to update the monetary value of funds held, invested, or covered by an insurance policy or comparable guarantee with the authorised institution, in relation to the outstanding balance of e-money issued by the institution as at the end of the reporting period .

Funds held for the execution of payment transactions.

The LH is required to report the monetary value of funds held, invested, or covered by an insurance policy or comparable guarantee with the authorised institution, in relation to the funds received from clients of the institution specifically for the execution of a payment transaction and sums received from a Payment Service Provider (PSP) for the execution of a payment transaction on behalf of their clients as at the **end of the reporting period**. This data point applies to both payment institutions and e-money institutions undertaking unrelated payment activities.

(2) Regulatory Requirements

The Regulatory Requirements Sheet is completely automated, and it serves to provide a concise summary of the capital regulatory requirements as of the reporting date. The LH is reminded of their ongoing obligation to promptly notify the Authority in the event of identifying any shortfall. Additionally, they must submit a comprehensive remediation plan, including projected milestones and timelines. It is crucial to understand that this obligation is continuous and not limited to the period of submitting the FI Return. Please be aware that if any of the regulatory requirements reveal a shortfall, this will be distinctly marked by the respective validation checks. Such shortfalls will be highlighted in orange, serving as a clear indicator of areas requiring attention and corrective action.

(3) Own funds

Reference should be made to Annex 1 for a breakdown of Own Funds including legal references and instructions. For further details regarding the Own Funds and its calculation, LH is required to make reference to Part 2 of the CRR and the Regulatory Implementing Technical Standards on Own Funds.

The LH is required to fill in all respective grey cells accordingly. Data points which are not applicable to the entity must be filled with a "0".

4.4 Operations

(1) FI Services

The LH is obligated to maintain current and accurate information within the 'FI Services' Sheet pertaining to the licensable activities in which it is involved. Data points from FI-LS-001 to FI-LS-010a represent the licensable activities outlined in the first schedule of the FI Act. The LH is required to indicate either 'Yes' or 'No' for each of these data points based on whether it possesses the requisite license to engage in the specified activity. For a more comprehensive

understanding of the details encapsulated in these data points, please refer to the table presented below.

DP Code	Details
FI-LS-001	Lending Services
FI-LS-002	Financial Leasing
FI-LS-003	Venture or Risk Capital
FI-LS-004	Payment Services
FI-LS-005	Issuing and administering other means of payment
FI-LS-006	Guarantees and Commitments
FI-LS-007	Trading for own account or for account of customers
FI-LS-008	Underwriting share issues and participation in such issues
FI-LS-009	Money broking
FI-LS-010	Issuing of electronic money as defined in the Third Schedule
FI-LS-010a	Issuing Emoney and unrelated payment service activities

The 'FI Services' Sheet comprises specific sections aligned with each of the above mentioned datapoints. In instances where a datapoint is indicated as 'Yes,' an additional set of datapoints will be made visible. The LH is required to update these sections with relevant data. Conversely, should a datapoint be marked as 'No,' the associated datapoints will be hidden to prevent the sheet from appearing overcrowded. Please refer to the details below for additional datapoints included with each licensed activity.

Lending Services

DP Code	Details	Comment
FI-L-001 FI-L-002	Number of loans issued, and value of loans issued	This data point requires the LH to report the total number of loans issued and value of loans issued during the reporting period.

FI-L-004 FI-L-005	Number of loans outstanding, and value of loans outstanding	This data point requires the LH to report the total number of loans outstanding and value of loans outstanding as at the end of the reporting period . 'Outstanding' refers the amount that is left to be repaid on any loan.
FI-L-007	Top five outstanding loans issued to third-party entities	This data point requires the LH to report the details of the top five outstanding loans issued to third-party entities. The details include the name of the clients, the jurisdiction of the clients and the value of loans outstanding as at the end of the reporting period .

Financial and Operational Leasing

The reporting framework on leasing consists of two sections:

- Section 1 – Financial leasing.
- Section 2 – Operational leasing

The LH must ensure that data within the finance lease section exclusively pertains to financial leases, and likewise, data within the operational lease section is solely relevant to operational leases.

DP Code	Details	Comment
FI-FL-001 FI-FL-002	Number of leases issued, and value of financial leases issued	This data point requires the LH to report the total number of leases issued and value of leases issued during the reporting period .
FI-FL-003 FI-FL-004	Number of leases outstanding, and value of leases outstanding	This data point requires the LH to report the total number of leases outstanding and value of leases outstanding as at the end of the reporting period .
FI-FL-005	Top five outstanding leases to third parties	This data point requires the LH to report the details of the top five outstanding leases issued to third-party entities. The details include the name of the clients, the jurisdiction of the clients and the value of leases outstanding as at the end of the reporting period .

Venture or Risk Capital

DP Code	Details	Comment
FI-VC-001 FI-VC-002	Number of venture or risk capital investments, and value of venture or risk capital investments	This data point requires the LH to report the total number and value of venture or risk capital investments made during the reporting period .

FI-VC-003 FI-VC-004	Number of venture or risk capital investments outstanding, and value of venture or risk capital investments outstanding	This data point requires the LH to report the outstanding total number and value of venture or risk capital investments made as at the end of the reporting period .
FI-VC-005	Outstanding venture or risk capital investments	This data point requires the LH to report the details of the top five outstanding venture or risk capital investments. The details include the name of the clients, type of investment, percentage of ownership, stage of development, presence in Board of Directors, exit routes - timeframe and the value of investment made as at the end of the reporting period . <i>Note: For more details kindly refer to this Link.</i>

Payment Services

DP Code	Details	Comment
FI-PS-001	Number of clients	This data point requires the LH to report the total number of clients who placed orders for the execution of payment transactions during the reporting period .
FI-PS-002 FI-PS-003	Number of payment transactions, and value of payment transaction processed during the reporting period	This data point requires the LH to report the total number and value of payment transactions carried out by payment institutions or any unrelated payment services activities carried out by e-money institutions during the reporting period . <i>Note: 'Value of payment transactions executed' means the total amount of incoming funds from the transactions that the payment institution facilitates.</i>
FI-PS-003a	Value of payments transactions executed during the preceding year	This data point requires the LH to report the total value of payment transactions carried out by payment institutions or any unrelated payment services activities carried out by e-money institutions during the last twelve months as at the end of the reporting period .
FI-PS-004	Payment Service Offered	All the data points under FI-PS-004 i.e., FI-PS-004a to FI-PS-004e represent payment services as defined in the second schedule of the FI Act. The LH is required to indicate either 'Yes' or 'No' for each of these data points based on whether it possesses the requisite license to engage in the specified activity. For the data point FI-PS-004e, the LH is required to update the details of the top three payment instruments issued by the institution. This data point requires the name of each payment instrument issued and the percentage of payment transactions processed through each payment instrument issued.

Issuing and administering other means of payment

DP Code	Details	Comment
FI-OTP-001	Payment instruments issued	<p>This data point requires the LH to report the details of the name of the payment instruments issued, number of transactions and the value of payment instruments issued during the reporting period.</p> <p><i>Note: The LH is required to update this section only if the payment instrument issued cannot be considered as part of the payment services set out in the second schedule of the Financial Institutions Act.</i></p>

Guarantees and Commitments

DP Code	Details	Comment
FI-GC-001 FI-GC-002	Number of guarantees and commitments, and value of guarantees and commitments	This data point requires the LH to report the total number and value of guarantees and commitments made during the reporting period .
FI-GC-003 FI-GC-004	Number of outstanding guarantees and commitments, and value of outstanding guarantees and commitments	This data point requires the LH to report the outstanding total number and value of guarantees and commitments made as at the end of the reporting period .
FI-GC-005	Top five outstanding guarantees and commitments	This data point requires the LH to report the details of the top five outstanding guarantees and commitments. The details include the name of the clients, type of guarantees and commitment and the value of guarantees and commitments made as at the end of the reporting period .

Trading for own account or for account of customers

DP Code	Details	Comment
FI-EX-001	Details of activity undertaken	This data point requires the institution to report the details of the number of transactions and the value of the amount transacted by the specific activity undertaken by the institution during the reporting period .

Money broking

DP Code	Details	Comment
FI-MB-001 FI-MB-002	Number of transactions and value of transactions processed	This data point requires the LH to report the total number and value of transactions processed during the reporting period .
FI-MB-003	Non-core principals transactions	<p>The LH is required to confirm whether it engages with any non-core principals institutions during the reporting period. In the affirmative, the institution is required to indicate 'Yes' and provide details of the top five non-core principals institutions it dealt with. The details include the name of the non-core principals institution, activity undertaken, and amount transacted during the reporting period.</p> <p><i>Note: "Non-core principals" typically refer to individuals or entities that are not primarily focused on financial or market-related activities. They may engage in financial transactions occasionally or as a secondary aspect of their primary business operations.</i></p>
FI-MB-004 FI-MB-004a	Deposits held with institution	The LH is required to confirm whether it accepts any deposits acting as a money broker on a fiduciary or matched principal basis. In the affirmative, the LH is required to indicate 'Yes' and provide the total amount of deposits held by the institution as at the end of the reporting period .
FI-MB-004b	Deposits held with appositely licensed institution under the banking Act 1994	The LH is required to provide the name of the institution where deposits are held, and the amount held with that institution as at the end of the reporting period .

Issuing of electronic money as defined in the Third Schedule

DP Code	Details	Comment
FI-EM-001	Number of clients	This data point requires the LH to report the total number of clients to whom e-money was issued by the institution during the reporting period .
FI-EM-002 FI-EM-003	Number of related payment transactions, and value of related payment transaction processed during the reporting period	This data point requires the LH to report the total number, and value of related payment transactions carried out by the institution during the reporting period .
FI-EM-004	E money outstanding	

		This data point requires the LH to report the outstanding balance of e-money issued by the institution as at the end of the reporting period .
FI-EM-005	Average daily outstanding electronic money at the end of each calendar day over the preceding six months	<p>This data point requires the institution to report the average daily outstanding electronic money at the end of each calendar day over the preceding six months as at the end of the reporting period.</p> <p><i>Note: Please see the below example for how to perform this calculation.</i></p> <ul style="list-style-type: none"> • We assume calculation date on 30 June 2023. • For the six preceding months we assume that the outstanding electronic money on a daily basis was equal to (JAN: EUR 25 million, FEB: EUR 20 million, MAR: EUR 30 million, APR: EUR 27 million, MAY: EUR 32 million, JUN: EUR 29 million). • The total number of calendar days for the period = 181 calendar days i.e., the sum of JAN: 31 days, FEB: 28 days, MAR: 31 days, APRIL: 30 days, MAY: 31 days and JUNE 30 days • The total sum of outstanding amounts representing each calendar day equals EUR 4,937,000,000 i.e., the sum of (EUR 25m*31), (EUR 20m*28), (EUR 30m*31), (EUR 27m*30), (EUR 32m*31) and (EUR 29m*30) • The daily average outstanding e-money over the 6 months equals EUR 4,937,000,000/181 days= EUR 27,276,243

(2) Operations

The Operations Sheet is structured to gather crucial information pertaining to two key aspects of the LH's operational framework:

- (i) Systems Performance and Resilience Cybersecurity
- (ii) Cybersecurity

It is essential for users to attentively fill in all cells marked in grey on this sheet. This detailed data entry process is vital for accurately capturing the Institution's capabilities and preparedness in terms of system performance, resilience, and cybersecurity measures. The comprehensive and precise completion of this sheet plays a significant role in assessing the operational robustness and security posture of the LH.

(3) Conduct of Business

The Conduct of Business sheet is meticulously designed to collect essential information regarding:

- (i) Complaints
- (ii) Passporting

- (iii) Agents and Distributors
- (iv) Branches
- (v) Intermediaries

While the data entry process is designed to be intuitive and self-explanatory for each section in this sheet, the following additional comments on each section are provided for further clarity and guidance.

Complaints

DP Code	Details	Comment
FI-CO-007	Realistic compensation payable exposure (for pending complaints in reporting currency:	Please fill in "0" if the exposure is estimated to be so.

Passporting

DP Code	Details	Comment
FI-CP-001 FI-CP-002	Services passported	The LH is required to indicate either 'Yes' or 'No' for these data points based on whether it has passported the services mentioned in these data points to EU/EEA member states during the reporting period .
FI-CP-003	Member states	This datapoint contains the list of all EU/EEA member states, and the LH is required to indicate 'Yes' or 'No' for each member state, based on whether it has passported payment services or e-money services during the reporting period .
FI-PP-001	Number of EU/EEA Member States where payment services are passported.	The LH is required to report the total number of member states to which payment services are passported during the reporting period . Please ensure that the total number reported here aligns with the data inputted in datapoint 'FI-CP-003'.
FI-PP-002 FI-PP-003 FI-PP-004a FI-PP-004b FI-PP-004c FI-PP-005a FI-PP-005b FI-PP-005c FI-PP-006b FI-PP-007 FI-PP-008	Monetary value of payment transactions executed	Each of these data points represents the licensable activities outlined in the second schedule of the FI Act. The LH is required to report the monetary value of payment transactions processed during the reporting period for each licensable activity on the corresponding data point that represents that activity.
FI-PP-005d		

FI-PP-006c	Total monetary amount of credit granted	<p>The Institution is required to report the monetary amount of credit granted against payment transactions executed in line with payment service type outlined in paragraph 2(d) and 2(e) of the Second Schedule to the Act during the reporting period.</p> <p>Data point FI-PP-005d represents credit granted against payment transactions executed in line with payment service type outlined in paragraph 2(d).</p> <p>Data point FI-PP-006c represents credit granted against payment transactions executed in line with payment service type outlined in paragraph 2(e).</p>
FI-PE-001	Member states	The LH is required to report the total number of member states to which e money services are passported during the reporting period.
FI-PE-002	E money issued	The institution is required to report the electronic money outstanding as at the end of the reporting period.

Branches

DP Code	Details	Comment
FI-CB-003	Electronic money outstanding	This data point requires the LH to report the outstanding balance of e-money issued by the branch as at the end of the reporting period.
FI-CB-004	Total number of payment activities	This data point requires the institution to report the total number of payment activities processed by the branch during the reporting period.
FI-CB-005	Total monetary amount of payment activities	This data point requires the institution to report the total monetary amount of payment activities processed by the branch during the reporting period.

Agents

DP Code	Details	Comment
FI-AG-002	Total number of payment activities	This data point requires the institution to report the total number of payment activities processed by the agent during the reporting period.
FI-AG-003	Total monetary amount of payment activities	This data point requires the institution to report the total monetary amount of payment activities processed by the agent during the reporting period.

FI-AG-004	Top five agents	The data point requires the institution to report the top five agents of the institution as at the end of the reporting period . The top five agents must be identified based on the total monetary amount of payment activities processed during the reporting period.
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(4) Clients' Details

The Clients sheet is meticulously designed to collect essential information relevant to the clients of the LH. The latter is required to fill in all cells highlighted in grey, ensuring that each entry is applicable and accurately reflects the Institution's client-related data. In circumstances where certain data points are not applicable to the Institution's operations or client base, LH is required to input "0". This practice ensures clarity and consistency in data reporting, allowing for a comprehensive understanding of the Institution's client demographics and related details. It is imperative that the LH adopts the concept of 'Centre of Economic Interest' when determining the country of residence of their clients. A detailed explanation on the latter concept can be found in Annex 2 of this guidance document.

While the data entry process is designed to be intuitive and self-explanatory, the following additional comments are provided for further clarity and guidance.

DP Code	Details	Comment
FI-CD-001	Number of clients	The LH is required to report the details of the total number of clients categorised as 'Active', 'Dormant', and 'Inactive' based on whether they are 'Business to Business' or 'Business to Consumer' clients as at the end of the reporting period .
FI-CD-002	Active Clients Residency	The LH is required to report the details of the total number of active clients categorised as 'Malta', 'EU/EEA', and 'Row' based on whether they are 'Business to Business' or 'Business to Consumer' clients as at the end of the reporting period .
FI-CD-007	Active Business-to-Business Clients	<p>The LH is required to report the details of the total number of active Business-to-Business clients by 'Nace Rev. 2 Code' as at the end of the reporting period.</p> <p>Please be advised that in the event of an update occurring within the 'Other' section, it is imperative to populate the following fields accordingly:</p> <ul style="list-style-type: none"> 'Economic Sector': This information must be entered into 'Column C'. 'Nace Rev. 2 Code': This data should be placed in 'Column D'.

		<ul style="list-style-type: none"> • 'Number of Clients': The numerical data pertaining to the number of clients must be inputted into 'Column E'. <p>Furthermore, should the institution possess more than three data points within the 'Other' section, the following protocol must be adhered to:</p> <ul style="list-style-type: none"> • The first two data points in the 'Other' section should be updated based on the highest number of clients. • For the third data point, specify the 'Economic Sector' as 'Other', designate 'Nace Rev. 2 Code' as 'Nil', and provide the relevant information regarding the number of clients. •
FI-CD-008	Top 20 jurisdictions	The LH is required to report the details of the top twenty countries where it has its as at the end of the reporting period . These details include the name of the country, the number of Business-to-Business clients in that country, and the number of Business-to-Consumer clients in that country.
FI-CD-009	Total number of jurisdictions where the Institution is providing its services in	<p>The LH is required to report the total number of jurisdictions where the Institution is providing its services as of the date specified on the 'FI-CS-6b' data point found on the 'Cover Sheet' of the FI Return.</p> <p><i>Note: Institution is expected to reflect the total number, and not the top 20 which are reflected in FI-CD-008.</i></p>
FI-CD-011	Highest acceptable risk rank	The institution is required to report the highest acceptable risk rank as free text in this data point, in accordance with the customer risk assessment policy of the institution.

Annex 1: Breakdown of Own Funds

DP Code	Details	Comment
FI-OF-001	Own Funds	<p><i>Articles 4(1)(118) and 72 of CRR</i></p> <p>The Own Funds of a Licence Holder shall consist of the sum of its Tier 1 capital and Tier 2 capital.</p>
FI-OF-002	Tier 1 Capital	<p><i>Article 25 of CRR</i></p> <p>The Tier 1 Capital is the sum of Common Equity Tier 1 (“CET1”) Capital and Additional Tier 1 (“AT1”) Capital.</p>
FI-OF-003	CET1 Capital	<p><i>Article 50 of CRR</i></p>
FI-OF-005	Paid up capital instrument	<p><i>Articles 26(1) point (a) and 27 to 31 of CRR</i></p> <p>The share premium related to instruments shall not be included.</p>
FI-OF-006	Memorandum Items	<p><i>Article 28(1) points (b), (l) and (m) of CRR</i></p> <p>Conditions in those points reflect different situations of the capital which are reversible, and thus the amount reported here can be eligible in subsequent periods. The amount reported shall not include the share premium related to the instruments.</p>
FI-OF-007	Share Premium	<p><i>Articles 4(1)(124), 26(1) point (b) of CRR</i></p> <p>Share premium has the same meaning as under the applicable accounting standard. The amount to be reported in this item shall be the part related to the “Paid up capital instruments”.</p>
FI-OF-008	Own CET1 Instruments	<p><i>Articles 36(1) point (f) and 42 of CRR</i></p> <p>Own CET 1 held by the reporting Licence Holder subject to exceptions in Article 42 of CRR. Holdings on shares included as “Capital instruments not eligible” shall not be reported in this row.</p> <p>The amount to be reported shall include the share premium related to the own shares.</p>
FI-OF-012		<p><i>Articles 36(1) point (f) and 42 of CRR</i></p>

	Actual or contingent obligations to purchase own CET1 instruments	
FI-OF-013	Retained Earnings	<p><i>Articles 26(1) point (c) and 26(2) of CRR</i></p> <p>Retained earnings includes the previous year retained earnings plus the eligible interim or year-end profits. The eligible interim profits are profits verified by the Financial Auditor prior to the end of the accounting period.</p>
FI-OF-014	Audited retained earnings	<p><i>Articles 4(1)(123) and 26(1) point (c) of CRR</i></p> <p>CRR defines retained earnings as "Profit and losses brought forward as a result of the financial application of profit or loss under applicable accounting standards".</p>
FI-OF-015	Profit or loss eligible	<p><i>Articles 4(1)(123), 26(2) and 36(1) point (a) of CRR</i></p> <p>Article 26(2) of CRR allows including as retained earnings interim or year-end profits, with the prior consent of the competent authorities, if some conditions are met. On the other hand, losses shall be deducted from CET1, as stated in Article 36(1) point (a) of CRR.</p>
FI-OF-016	Profit or loss attributable to the owners of the parent	<p><i>Articles 26(2) and 36(1) point (a) of CRR</i></p> <p>The amount to be reported shall be the profit or loss reported in the accounting income statement.</p>
FI-OF-017	Part interim or year-end profit not eligible	<p><i>Article 26(2) of CRR</i></p> <p>This row shall not present any figure if, for the reference period, the LH has reported losses. This is because the losses shall be completely deducted from CET1.</p> <p>If the LH reports profits, it shall report the part which is not eligible according to Article 26(2) of CRR, i.e. profits not audited and foreseeable charges or dividends.</p> <p>Note that, in case of profits, the amount to be deducted shall be, at least, the interim dividends.</p>
FI-OF-019	Other Reserves	<p><i>Article 4(1)(117) and 26(1) point (e) of CRR</i></p> <p><i>Other reserves are defined in CRR as "Reserves within the meaning of the applicable accounting standard that are required to be disclosed under that applicable accounting standard, excluding any amounts already included in accumulated other comprehensive income or retained earnings".</i></p>

		The amount to be reported shall be net of any tax charge foreseeable at the moment of the calculation.
FI-OF-020	Funds for general banking risk	<p><i>Articles 4(1)(112) and 26(1) point (f) of CRR</i></p> <p>Funds for general banking risk are defined in Article 38 of Directive 86/635/EEC as “Amounts which a credit institution decides to put aside to cover such risks where that is required by the particular risks associated with banking”.</p> <p>The amount to be reported shall be net of any tax charge foreseeable at the moment of the calculation.</p>
FI-OF-021	Minority interest given recognition in CET1 capital	<p><i>Article 4(120) and 84 of CRR</i></p> <p>Sum of all the amounts of minority interests of subsidiaries that is included in consolidated CET1.</p>
FI-OF-022	Adjustment to CET1 due to prudential filters	<i>Articles 32 to 35 of CRR</i>
FI-OF-023	Increases in equity resulting from securitised assets	<p><i>Article 32(1) of CRR</i></p> <p>The amount to be reported is the increase in the equity of the institution resulting from securitised assets, according to the applicable accounting standard.</p> <p>For example, this item includes the future margin income that results in a gain on sale for the institution, or for originators, the net gains that arise from the capitalisation of future income from the securitised assets, that provide credit enhancement to positions in the securitisation.</p>
FI-OF-024	Cash flow hedge reserve	<p><i>Article 33(1) point (a) of CRR</i></p> <p>The amount the be reported could either be positive or negative. It shall be positive if cash flow hedges result in a loss (i.e. if it reduces accounting equity) and vice versa. Thus, the sign shall be contrary to the one used in accounting statements.</p> <p>The amount shall be net of any tax charge foreseeable at the moment of the calculation.</p>
FI-OF-025	Cumulative gains and losses due to changes in own credit risk on fair valued liabilities	<p><i>Article 33(1) point (b) of CRR</i></p> <p>The amount to be reported could either be positive or negative, it shall be positive if there is a loss due to changes in own credit risk (i.e. if it reduces accounting equity) and vice versa. Thus the sign shall be contrary to the one used in accounting statements.</p>

		Unaudited profits shall not be included in this item.
FI-OF-026	Fair value gains and losses arising from the entity's own credit risk related to derivative liabilities	<p><i>Article 33(1) point (c) and 33(2) of CRR</i></p> <p>The amount to be reported could either be positive or negative. It shall be positive if there is a loss due to changes in own credit risk and vice versa. Thus, the sign shall be contrary to the one used in accounting statements.</p> <p>Unaudited profit shall not be included in this item.</p>
FI-OF-027	Value adjustments due to the requirements for prudent valuation	<p><i>Articles 34 and 105 of CRR</i></p> <p>Adjustments to the fair value of exposures included in the trading book, or non-trading book due to stricter standards for prudent valuations set in Article 105 of CRR.</p>
FI-OF-028	Goodwill	<i>Articles 4(1)(113), 36(1) point (b) and 37 of CRR</i>
FI-OF-029	Goodwill accounted for as intangible asset/included in the valuation of significant investments	<p><i>Articles 4(1)(113), 36(1) point (b), 37 point (b) and 43 of CRR</i></p> <p>Goodwill has the same meaning as under the applicable accounting standard.</p> <p>The amount to be reported here shall be the same that is reported in the balance sheet, in relation to intangible asset, in addition to the valuation of significant investments.</p>
FI-OF-030	Deferred tax liabilities associated to goodwill	<p><i>Article 37 point (a) of CRR</i></p> <p>Amount of deferred tax liabilities that would be extinguished if the goodwill became impaired or was derecognised under the relevant accounting standard.</p>
FI-OF-031	Other intangible assets	<p><i>Articles 4(1)(115), 36(1) point (b) and 37 point (a) of CRR</i></p> <p>Other intangible assets are the intangible assets under the applicable accounting standard, minus the goodwill (also under the applicable accounting standard).</p>
FI-OF-032a	Prudently valued software assets, the value of which is not negatively affected by resolution, insolvency or liquidation of the company (as stipulated by REGULATION (EU) 2019/876).	<p>Article 13(a) of Amending notice (2020/2176) to the <i>Commission Delegated Regulation (EU) No 241/2014</i>.</p> <p>Software intangible assets can be assessed for their qualification as "prudently value software assets, the value of which is not negatively affected by resolution, insolvency, or liquidation of the company. For this assessment Licence holders are to refer to REGULATION (EU) 2019/876).</p> <p>The respective applicable deduction to Own Funds is to be calculated by the Licence Holder and reported here.</p>

FI-OF-032	Other intangible assets gross amount	<p><i>Articles 4(1)(115) and 36(1) point (b) of CRR</i></p> <p>The amount to be reported here shall correspond to the amount reported in the balance sheet of intangible assets other than goodwill.</p>
FI-OF-033	Deferred tax liabilities associated to other intangible assets	<p><i>Article 37 point (a) of CRR</i></p> <p>Amount of deferred tax liabilities that would be extinguished if the intangible assets other than goodwill became impaired or was derecognised under the relevant accounting standard.</p>
FI-OF-034	Deferred tax assets that rely on future profitability and do not arise from temporary differences	<p><i>Articles 36(1) point (c) and 38 of CRR</i></p>
FI-OF-035	IRB Shortfall of credit risk adjustments to expected losses	<p><i>Articles 36(1) point (d), 40, 158 and 159 of CRR</i></p> <p>The amount to be reported shall not be reduced by a rise in the level of deferred tax assets that rely on future profitability, or other additional tax effect, that could occur if provisions were to rise to the level of expected losses.</p>
FI-OF-036	Defined benefit pension fund assets	<p><i>Articles 4(1)(109), 36(1) point (e) and 41 of CRR</i></p>
FI-OF-037	Defined benefit pension fund assets gross amount	<p><i>Articles 4(1)(109), 36(1) point (e) of CRR</i></p> <p>Defined benefit pension fund assets are defined as “the assets of a defined pension fund or plan, as applicable, calculated after they have been reduced by the amount of obligations under the same fund or plan”.</p> <p>The amount to be reported here shall correspond to the amount reported in the balance sheet (if reported separately).</p>
FI-OF-038	Defined tax liabilities association to defined benefit pension fund assets	<p><i>Articles 4(1)(108) and (109), and 41(1) point (a) of CRR</i></p> <p>Amount of deferred tax liabilities that would be extinguished if the defined benefit pension fund assets became impaired or were derecognised under the relevant accounting standard.</p>
FI-OF-039	Defined benefit pension fund assets which the entity has unrestricted ability to use	<p><i>Articles 4(1)(109) and 41(1) point (b) of CRR</i></p> <p>This item shall only present any amount if there is the prior consent of the National Competent Authority to reduce the</p>

		<p>amount of defined benefit pension fund assets to be deducted.</p> <p>The assets included in this row shall receive a risk weight for credit risk requirements.</p>
FI-OF-040	Reciprocal cross holdings in CET1 Capital	<p><i>Articles 4(1)(122), 36(1) point (g) and 44 of CRR</i></p> <p>Holdings in CET1 instruments of financial sector entities (as defined in Article 4(27) of CRR) where there is a reciprocal cross holding that the National Competent Authority considers to have been designed to inflate artificially the own funds of the Licence Holder.</p> <p>The amount to be reported shall be calculated on the basis of the gross long positions, and shall include Tier 1 own- fund insurance items.</p>
FI-OF-041	Excess of deduction from AT1 items over AT1 capital	<p><i>Article 36(1) point (j) of CRR</i></p> <p>The amount to be reported is directly taken from the indirect holdings of AT1 instruments. The amount has to be deducted from CET1 Capital.</p>
FI-OF-042	Qualifying holdings outside the financial sector	<p>Articles 4(1)(36), 36(1) point (k)(i) and 89 to 91 of CRR</p> <p><i>Qualifying holdings are defined as "direct or indirect holding in an undertaking which represents 10% or more of the capital or of the voting rights, or which makes it possible to exercise a significant influence over the management of that undertaking".</i></p> <p>According to Article 36(1) point (k)(i) of CRR, they can, alternatively, be deducted from CET1 (using this item) or subject to a risk weight of 1250%.</p>
FI-OF-043	Securitisation positions	<p><i>Articles 36(1) point (k)(ii), 243(1) point (b), 244(1) point (b), 258 and 266(3) of CRR</i></p> <p>Securitisation positions which are subject to a 1250% risk weight, but alternatively, are allowed to be deducted from CET1 (Article 36(1) point (k)(ii) of CRR). In the latter case, they shall be reported in this item.</p>
FI-OF-044	Positions in a basket for which risk weight under IRB approach cannot be determined	<p><i>Articles 36(1) point (k)(iv) and 153(8) of CRR</i></p> <p>According to Article 36(1) point (k)(iv) of CRR they can, alternatively, be deducted from CET1 (using this item) or subject to a risk weighting of 1250%.</p>
FI-OF-045	Equity exposures under an internal model approach	<p><i>Articles 36(1) point (k)(v) and 155(4) of CRR</i></p>

		According to Article 36(1) point (k)(v) of CRR, they can, alternatively, be deducted from CET1 (using this item), or subject to a risk weight of 1250%.
FI-OF-046	CET1 capital elements of deductions – Others	This row has been introduced to provide flexibility solely for reporting purposes. It shall only be populated in the rare cases that there is no final decision on the reporting of specific capital items/ deductions in the current template. As a consequence, this row shall only be populated if a CET1 element cannot be assigned to one of the rows mentioned above.
FI-OF-047	Additional Tier 1 (AT1) Capital	<i>Article 61 of CRR</i>
FI-OF-048	Capital instruments eligible as AT1 Capital	<i>Articles 51 point (a), 52 to 54, 56 point (a) and 57 of CRR</i>
FI-OF-049	Paid up capital instruments	<i>Articles 51 point (a) and 52 to 54 of CRR</i> The amount to be reported shall not include the share premium related to the instruments.
FI-OF-050	Memorandum Item: Capital Instruments not eligible	<i>Article 52(1) points (c), (e) and (f) of CRR</i> Conditions in these points reflect different situations of the capital which are reversible and thus the amount reported here can be eligible in subsequent periods. The amount to be reported shall not include the share premium related to the instruments.
FI-OF-051	Share Premium	<i>Article 51 point (b) of CRR</i> Share premium has the same meaning as under the applicable accounting standard. The amount to be reported in this item shall be the part related to the "Paid up capital instruments".
FI-OF-052	Own AT1 Instruments	<i>Articles 52(1) point (b), 56 point (a) and 57 of CRR</i> Own AT1 instruments held by the Licence Holder or group at the reporting date. Subject to exceptions outlined in Article 57 of CRR. Holdings of shares included as "Capital instruments not eligible" shall not be reported in this row. The amount to be reported shall include the share premium related to the own shares. The user should note that actual or contingent obligations to purchase own AT1 instruments are

		reported separately in FI-OF-056.
FI-OF-056	Actual or contingent obligations to purchase own AT1 instruments	<p><i>Articles 56 point (a) and 57 of CRR</i></p> <p>According to Article 56 point (a) of CRR, “own AT1 instruments that an institution could be obliged to purchase as a result of existing contractual obligations” shall be deducted.</p>
FI-OF-057	Instruments issued by subsidiaries that are given recognition in AT1 Capital	<p><i>Articles 83, 85 and 86 of CRR</i></p> <p>Sum of all the amounts of qualifying AT1 capital of subsidiaries that are included in consolidated AT1, if any. Qualifying AT1 capital issued by a special purpose entity (Article 83 of CRR) shall be included.</p>
FI-OF-058	Reciprocal cross holdings in AT1 Capital	<p><i>Articles 4(1)(122), 56 point (b) and 58 of CRR</i></p> <p>Holdings in AT1 instruments of financial sector entities (as defined in Article 4(1)(27) of CRR) where there is a reciprocal cross holding that the competent authority considered to have been designed to artificially inflate the own funds of the Licence Holder.</p> <p>The amount to be reported shall be calculated on the basis of the gross long positions and shall include AT1 own-fund insurance items.</p>
FI-OF-059	Excess of deduction from T2 items over T2 Capital	<p><i>Article 56 point (e) of CRR</i></p> <p>The amount to be reported is directly taken from FI-OF-076.</p>
FI-OF-060	Excess of deduction from AT1 items over AT1 Capital	<p><i>Article 36(1) point (j) of CRR</i></p> <p>Additional Tier 1 cannot be negative, but it is possible that AT1 deductions are greater than AT1 Capital plus related share premium. When this happens, AT1 has to be equal to zero, and the excess of AT1 deductions has to be deducted from CET1.</p> <p>With this item, it is ensured that the sum of FI-OF-48 to FI-OF-061 is never lower than zero. If FI-OF-060 shows a positive figure, item FI-OF-041 shall have the inverse of that figure.</p>
FI-OF-061	AT1 Capital elements or deductions – Other	<p>This row has been included to provide flexibility solely for reporting purposes. It shall only be populated in the rare cases that there is no final decision on the reporting of specific capital items/ deductions in the current template. As a consequence, this row shall only be populated if an AT1 element cannot be assigned to one of the rows mentioned</p>

		above.
FI-OF-062	Tier 2 Capital	<i>Article 71 of CRR</i>
FI-OF-063	Capital instruments and subordinated loans eligible as T2 Capital	<i>Articles 62 point (a), 63 to 65, 66 point (a) and 67 of CRR</i> For the eligible amount of T2 Capital, refer to Article 4(45) points (a) and (b).
FI-OF-064	Paid up capital instruments and subordinated loans	<i>Articles 62 point (a), 63 and 65 of CRR</i> The amount to be reported shall not include the share premium related to the instruments.
FI-OF-065	Memorandum item: Capital instruments and subordinated loans not eligible	<i>Article 63 points (c), (e) and (g) and 64 of CRR</i> Conditions in those points reflect different situations of the capital which are reversible and thus the amount reported here can be eligible in subsequent periods. The amount to be reported shall not include the share premium related to the instruments.
FI-OF-066	Share premium	<i>Articles 62 point (b) and 65 of CRR</i> Share premium has the same meaning as under the applicable accounting standard. The amount to be reported in this item shall be the part related to the "Paid up capital instruments".
FI-OF-067	Own T2 instruments	<i>Articles 63 point (b)(i), 66 point (a) and 67 of CRR</i> Own T2 instruments held by the Licence Holder or group at the reporting date. Subject to exceptions in Article 67 of CRR. Holdings on shares included as "Capital instruments not eligible" shall not be reported in this row. The amount to be reported shall include the share premium related to the own shares. FI-OF-067 to FI-OF-070 do not include actual or contingent obligations to purchase own T2 instruments. Actual or contingent obligations to purchase own T2 instruments are reported separately in FI-OF-071.
FI-OF-071	Actual or contingent obligations to purchase own T2 instruments	<i>Articles 66 point (a) and 67 of CRR</i> According to Article 66 point (a) of CRR, "own T2 instruments that an institution could be obliged to purchase as a result of existing contractual obligations" shall be deducted.

FI-OF-072	Instruments issued by subsidiaries given recognition in T2 capital	<p><i>Articles 83, 87 and 88 of CRR</i></p> <p>Qualifying Tier 2 capital issued by a special purpose entity shall be included.</p>
FI-OF-073	IRB Excess of provisions over expected losses eligible	<p><i>Article 62 point (d) of CRR</i></p> <p>For Licence Holders calculating risk-weighted exposure amounts in accordance with the IRB approach, this item contains the positive amounts resulting from comparing the provisions and expected losses which are eligible as T2 capital.</p>
FI-OF-074	SA General credit risk adjustments	<p><i>Article 62 point (c) of CRR</i></p> <p>For Licence Holders calculating risk-weighted exposure amounts in accordance with the standard approach this item contains the general credit risk adjustments eligible as T2 capital.</p>
FI-OF-075	Reciprocal cross holdings in T2 capital	<p><i>Articles 4(1)(122), 66 point (b) and 68 of CRR</i></p> <p>Holdings in T2 instruments of financial sector entities (as defined in Article 4(1)(27) of CRR) where there is a reciprocal cross holding that the National Competent Authority considers to have been designed to inflate artificially the own funds of the licence holder.</p> <p>The amount to be reported shall be calculated on the basis of the gross long positions, and shall include Tier 2 own- funds insurance items.</p>
FI-OF-076	Excess of deductions from T2 items over T2 capital	<p><i>Article 56 point (e) of CRR</i></p> <p>Tier 2 cannot be negative, but it is possible that T2 deductions are greater than T2 capital plus related share premium. When this happens, T2 shall be equal to zero, and the excess of T2 deductions shall be deducted from AT1. With this item, the sum of FI-OF-063 to FI-OF-077 is never lower than zero. If this item shows a positive figure, item FI-OF-072 shall be the inverse of that figure.</p>
FI-OF-077	T2 capital elements or deductions – Other	<p>This row has been included to provide flexibility solely for reporting purposes. It shall only be populated in the rare cases that there is no final decision on the reporting of specific capital items/ deductions in the current template. As a consequence, this row shall only be populated if a T2 element cannot be assigned to one of the rows mentioned above.</p>

Annex 2: Various Definitions

Group entities - Refers to a collection of companies that are interrelated through control, ownership, and consolidation arrangements. These entities are typically organised under a common parent company, which exercises significant influence or control over the financial and operating policies of its subsidiaries. Group entities include subsidiaries, fellow subsidiaries, and other entities over which the parent company exercises control or significant influence.

Connected parties - Refers to individuals or entities that have a close relationship with the Licence Holder ("LH") but are not part of the same group of companies. These relationships may arise due to factors such as control, significant influence, key management personnel connections, or other business arrangements. Connected parties can include individuals with control or significant influence over the reporting entity, key management personnel, associates, joint ventures, or entities providing key management personnel services to the reporting entity or its parent company.

Third party entities - Refers to individuals or entities that are neither categorised as group entities nor connected entities.

Related payment service activities by an electronic money institution - Related payment service activities by an electronic money institution refer to the process wherein the institution receives funds from clients and issues electronic money in exchange for those funds. Subsequently, this electronic money is utilised to facilitate payment transactions or provide payment services.

Unrelated payment service activities by an electronic money institution - **Unrelated payment service** activities by an electronic money institution refer to the process wherein the institution receives funds from clients but does not issue e-money in exchange for those funds and subsequently carries out a payment transaction/provides a payment service.

Payment account – An account held in the name of one or more customers which is used for the execution of payment transactions.

Reporting period - The reporting period spans from the date specified on data points FI-CS - 6a to FI-CS - 6b located on the 'Cover Sheet' of the FI Return.

(1) Residency

Version v:24-01-a of the FI Return introduces the segregation of various data points by residency. This applies to the sources of income generated by FIs, the country of residency of the clients, and so on.

Resident entities within a country, such as households and business, may be defined by their economic ties to the country's economic territory. These entities might not necessarily hold the country's nationality, might not always be recognised as legal entities, and might not be physically present in the country when conducting transactions. The primary factor in determining a customer's country of residence is where their central economic interests are located.

The "Centre of Economic Interest" refers to a specific location within an economic territory where an entity is actively involved and plans to remain involved in substantial economic activities and transactions either indefinitely or for a significant period of time (a year or more).

Persons that have a centre of economic interest in the country are deemed to be resident entities, even if they go abroad for short periods of less than a year. The below list is also included:

Border Workers	Individuals who cross the frontier frequently to work in a neighbouring country.
Seasonal Workers	People who leave the country for several months, but less than a year, to work in another country in sectors in which additional manpower is needed periodically.
Other Workers	Locally recruited staff working in the extraterritorial enclaves of foreign governments.
Other	Tourists, patients, students, visiting officials, businessmen, salesmen, artists, and crew members traveling abroad.

Transactions with entities that are not incorporated in Malta nor have a centre of economic interest in Malta, are to be reported as transaction with the incorporated foreign legal entity which resides outside Malta, as per their incorporation address.

(2) Business to Consumer ('B2C')

Business to Consumer shall include (i) consumers, and (ii) micro enterprises as specified below.

Consumers under Financial Institutions Act (Cap. 376) means a natural person who in payment service contracts covered by the provisions of the Payment Services Directive, as transposed in directives issued by the Central Bank under the Central Bank of Malta Act, is acting for purposes other than his or her trade, business or profession.

Micro enterprises | Arbitrator for Financial Services Act (Cap. 555) defines micro enterprises as an enterprise which employs fewer than ten persons and whose annual turnover and, or annual balance sheet total does not exceed two million euro (€2,000,000).

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