

Compilation of Crypto-Asset Service Providers' Return

Guidance Notes

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Revisions Log

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List of Abbreviations

MFSA	Malta Financial Services Authority
CASP/s	Crypto-Asset Service Provider/s
LH	Licence Holder
ICR	Interim CASP Return
ACR	Annual CASP Return
AACR	Audited Annual CASP Return
Q1/2/3	Quarter 1/2/3
ECB	European Central Bank
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
CRR	Capital Requirements Regulation
FOR	Fixed Overhead Requirement
NCA	National Competent Authority
IRB	Internal Ratings Based Approach
CET1	Common Equity Tier 1
FVOCI	Fair Value through other comprehensive income

1. Introduction

The Malta Financial Services Authority (**MFSA**), serving as the sole regulatory body for financial services within Malta, holds the responsibility for authorising and supervising entities within the Crypto-Asset industry. These entities are regulated under [The Markets in Crypto-Assets Act \(the Act\)](#), which transposes and aligns with the [Markets in Crypto-Assets Regulation](#), with articles delineating the obligations pertinent to Crypto-Asset Service Providers licensed under **the Act** and to Applicants seeking to be licenced as Crypto-Asset Service Providers pursuant to the Act.

On 06 January 2025, the MFSA issued a consultation on the new Crypto-Asset Service Provider Return (**CASP Return**), a crucial tool designed for the collection of data essential to its supervisory activities. Consequently, these Guidance Notes have been formulated to assist in the accurate and efficient compilation of the CASP Return.

2. Access & Compatibility of the Return

For each required submission, Licence Holders (LHs) must compile and submit the most recent version of the Return. To this end, prior to every submission, it is imperative that the CASP downloads the latest version of the Return directly from the [MFSA Website](#). The MFSA reserves the right to periodically update or amend the Return. The version control is designated following the format "v:25-01-a", where "25" represents the year, "01" signifies the version number within that year, and "a" indicates immaterial changes. LHs should disregard the final letter when referencing the version.

The Return is compatible with Microsoft Office 2013 and later versions. It is important to note that while other program applications may access Microsoft Excel, their use could potentially compromise the Return's content integrity. Should LHs opt to use applications other than Microsoft Excel, they are responsible for ensuring the integrity and security of the downloaded document at all times. Furthermore, the Return must be saved exclusively in the *Microsoft Excel Spreadsheet (.xlsx)* format.

The Authority emphasizes the critical importance of maintaining the protection of both the sheets and the workbook at all times. In the event of technical difficulties, LHs are encouraged to contact the Authority at SUFintech@mfsa.mt for assistance. Returns with compromised structure or protection are deemed invalid.

3. Submission of the CASP Return

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

1. The Licence Holder shall prepare an **Interim CASP Return (ICR)**, at dates three, six and nine months after the accounting reference date. The first ICR should cover the three months immediately following the accounting reference date, the second ICR should cover the six months immediately following the accounting reference date and the third ICR should cover the nine months immediately following the accounting reference date. The ICR must be submitted within one month following the reporting date.
2. The **Annual CASP Return (ACR)** is to cover a twelve-month period and should be submitted annually, within one month of the accounting reference date.
3. The **Audited Annual CASP Return (AACR)** must be submitted within six months of the accounting reference date, accompanied by the Audit Pack.

For detailed guidance on the expected submission dates and methods for CASPs, LHs are advised to consult the CASP 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 AACR, 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.

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 Capital Requirements
- 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 Return compilation process begins with the Cover Sheet, where details should be entered sequentially. 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 Licence Holder's scenario, enter "0".

A **Yellow** "Check" validation indicates potential non-compliance with regulatory requirements, inconsistencies in the reported data, or deviations from expected norms. Therefore, it is incumbent upon CASPs 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
CA-CS-1	Document Type	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. <i>Failure to select the appropriate document type may invalidate certain validations.</i>
CA-CS-2	Name of Licence Holder	

		The user must select the name of the Entity. <i>Selecting the LH Name is mandatory to compile the CASP Return. Should the institution fail to identify its name from the predefined list, the institution is to contact the Authority at its earliest.</i>
CA-CS-4c	Legal Entity Identifier (LEI)	The Legal Entity Identifier (LEI) is a unique, 20-character alphanumeric code based on the ISO 17442 standard. It is used to identify distinct legal entities that participate in financial transactions globally. Article 68(9) mandates record-keeping of crypto-asset services, activities, orders, and transactions. LEIs are required for identifying: <ul style="list-style-type: none"> • Legal entity clients of CASPs. • Buyers and sellers of crypto-assets.
CA-CS-6a	Reporting Period (From)	The IVRs are cumulative in nature, thereby reflected by these entries. The period must start from the first day of the financial year being reported. Insert dates using “/”, as a delimiters (ex: 01/01/2022). The delimiter “.” is NOT compatible and will render the Return invalid.
CA-CS-6b	Reporting Period (To)	This date is to be filled in after CA-CS-6a to ensure successful loading of the Return. Insert dates using “/”, as a delimiters (ex: 31/12/2021). “.” will render the Return invalid.
CA-CS-8	Reporting Currency	The Return is to be prepared in the same currency being used in the Audited Financial Statements (AFS).
CA-CS-9	Exchange Rate	With respect to the exchange rate, please ensure that this is quoted from the ECB’s website , as at the end of reporting period. The reporting currency shall be the base currency. If the reporting currency is EUR, please fill-in “1”.
CA-CS-10	Accounting Framework	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 AFS.

(2) Index Sheet

Prior to submitting the Return to the MFSA, LHs must verify that all validations are marked as “OK” or green. In cases where the validation appears as “Check” or yellow, it is imperative for the user to review and confirm 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 and propose a remediation plan. Any validations marked as “Error” or red must be addressed and corrected in the relevant sheet prior to submission.

Submissions that display an “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 REP-017 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.

(3) Input Sheet

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

1. Entity Information
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
CA-IP-CI1	Full Time Employment	Full-time employment refers to a work arrangement where an individual is engaged in a role within an organisation, typically working a standard number of hours (generally 40 hours) and receiving a comprehensive range of compensation, such as salary, bonuses, and benefits, for their services during a set accounting period.
	Part Time Employment	A part-time employee is one whose normal hours of work, calculated on a weekly basis or on an average over a period of employment of up to one year, are less than the normal hours of work of a comparable full-time employee and who is not a full-time employee with reduced hours.
CA-IP-CI2	Overall unplanned service downtime in minutes	Refers to the total amount of time, measured in minutes, during which a service or system was unavailable due to unexpected issues. This metric excludes any planned maintenance or scheduled downtime and focuses solely on interruptions caused by unforeseen problems.
CA-IP-I1 to CA-IP-I9	Income from licensable activities	Data points from CA-IP-I1 to CA-IP-I09 represent the income derived from the licensable activities under the MiCA. The LH is required to report the income earned from each of these activities.
CA-IP-I10a	Income from Other Crypto Services	Any other revenue generated in relation to Crypto-Asset services which is not captured by the above revenue categories. The user is required to input the relevant details for the said data entries in the adjacent grey cells as prompted in the Sheet upon inserting this amount. The details will be then reflected in the ‘Income Statement’ Sheet.
CA-IP-I17 & CA-IP-I18	Unrealised/Realised gain on financial assets attributable to	This data point requires institutions to report the unrealised or realised gains on financial assets attributable to clients. These financial assets

	clients measured at fair value through profit or loss	attributable to clients represent secure, liquid, low-risk assets used for safeguarding client funds.
CA-IP-I24	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.
CA-IP-I25 & CA-IP-I27	Interest income from loans and advances granted to group entities	This data point requires the LH to report the interest income that is only derived from loans and advances granted to group entities.
CA-IP-I26 & CA-IP-I28	Interest income from loans and advances granted to third-party entities	This data point requires the LH to report the interest income derived from loans and advances to third-party entities.
CA-IP-E1, CA-IP-E2, CA-IP-E3	Commissions and Fees	These data entries refer to commissions and fees that are directly related to the acquisition of gross revenue (derived from Crypto activities), as defined in the Mica Regulation (EU. 2023/1114).
CA-IP-E22	Custody Fee	Fees payable to third-party custody providers.
CA-IP-E27	Non-recurrent Expenses	Expenditure incurred that is not part of the company's ordinary day-to-day operations.
CA-IP-E32 & CA-IP-E33	Unrealised/Realised loss on financial assets attributable to clients measured at fair value through profit or loss	This data point requires institutions to report the unrealised or realised loss on financial assets attributable to clients. These financial assets attributable to clients represent secure, liquid, low-risk assets used for safeguarding client funds.
CA-IP-E39	Negative interest paid to banks	This data point requires the LH to report charges paid to banks for holding funds
CA-IP-E45	Taxation for the year	Besides providing for taxation in the Annual Income Statement included in the ACR, LHs are required to provide for taxation in the interim Income Statement in the ICR.
IP-M1(i)	Paid in the reporting period	<p>Paid dividends are to be reported here. Remaining fields in the input sheet should be populated net after dividends.</p> <p>Note that for the purposes of Own Funds, since Equity will already be deducted by the paid dividends. Own Funds will already reflect this deduction.</p>
IP-M1(ii)	Proposed but not paid	<p>Proposed dividends are to be reported here. Since the dividends payment would not have yet been signed off, equity (retained earnings) should be reported in full (i.e. not net of proposed dividends).</p> <p>Note that for the purposes of Own Funds, proposed dividends are deductible. Own Funds will be deducted by the proposed dividends amount.</p>
CA-IP-C3 & CA-IP-C4	Unrealised/Realised gain(loss) on financial assets measured at fair value through OCI	This data point requires institutions to report the unrealised or realised loss on financial assets attributable to clients. These financial assets attributable to clients represent secure, liquid, low-risk assets used for safeguarding client funds.
CA-IP-A2	Intangible Assets	LHs are to report Intangible Assets under the 3 categories available in the CASP Return.
CA-IP-A2(ii)	(ii) 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>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.</p> <p>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 Licence Holder must calculate and report the applicable Own Funds deduction in OF-032a on the PrSafeguards sheet."</p>

CA-IP-A7(ii) & CA-IP-A16(ii)	Amount due from payment service providers or intermediaries	This data point requires the LH to report the amount due from payment service providers or intermediaries as part of the execution of a payment transaction, and excludes 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.
CA-IP-A7(iii) & CA-IP-A16(iii)	Collateral deposits or reserves held with payment service providers or intermediaries	This data point requires the LH to report any collateral deposits or reserves held with payment service providers or intermediaries. It includes both fixed reserves and rolling reserves held with them.
CA-IP-L4 (ii) & CA-IP-L8 (i)	FIAT deposits/reserves collected from clients	This data point requires the LH to report any FIAT deposits or reserves collected from clients. It includes both fixed reserves and rolling reserves collected from them.
CA-IP-L4 (iii) & CA-IP-L8 (iii)	Client balances held in crypto-assets	This data point requires the LH to report any crypto-assets held on behalf of clients.
CA-IP-L4 (iv) & CA-IP-L8 (ii)	Amount due to payment service providers or intermediaries	This data point requires the LH to report the amount due to payment service providers or intermediaries. Examples of these parties are card schemes, PSPs involved in the payment transaction, and service providers involved in the payment transaction, etc.
CA-IP-R5	Revenue Reserves	These figures are to be reported net of Other Comprehensive Income.
CA-IP-R5(i)	Revenue Reserves as per the latest audited accounts/ opening balance for the reporting period	This data point changes depending on whether the return is an ICR, ACR or AACR. For the ICR and ACR return, the LH must input the revenue reserves as per the latest audited accounts (<i>Refer to Articles 4(1)(123) and 26(1) point (c) of CRR</i>). For the AACR the LH must input the revenue reserves as reported in the previous audited accounts.
CA-IP-R5(ii)a)	Movement in Revenue Reserves: a) Profit / (loss) and other comprehensive income other than interim profit/ (loss) and other comprehensive income	The LH is required to report this data point if 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 OCI for the previous year, which have not yet been included in the audited retained earnings (CA-IP-R5(ii)a) or in the interim profit or loss and OCI (CA-IP-R5iii). This ensures that the profit generated after the audited financials and before Q1 is properly recorded.
CA-IP-R5(ii)b)	Movement in Revenue Reserves: b) Dividend Paid	The LH holder is required to report the dividends paid during the reporting period. Note: In Quarter 1, when the audited financial statements are not available, the institution may report dividends paid after the latest audited financial year-end, up to the end of the reporting period.
CA-IP-R5(ii)c)	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 CA-IP-R5ii) and CA-IP-R5iii). Note: Kindly ensure that in Quarter 1, where the audited financial statements are not available, the institution may report any movements that occurred after the latest audited financial year-end, up to the end of the reporting period.
CA-IP-R5(iii)	(iii) Interim profit/ (loss) and other comprehensive income during the reporting period	This data point requires the LH to report the profit/loss for the reporting period. Also, Institutions must follow Articles 26(1) point(c), 26(2) points (a)(b), and 36(1) point (a) of CRR.
CA-IP-R6	Other Reserves	<i>Refer to Article 4(1)(117) and 26(1) point (e) of CRR</i> The amount to be reported shall be net of any tax charge foreseeable at the moment of the calculation.

		<p>It is to be noted that any amounts reported in CA-IP-R6i and CA-IP-R6ii would contribute to the calculation of Own Funds while amount reported under CA-IP-R6iii would not. 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 IP-R6i. IP-R6ii 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>
CA-IP-04	Verified Profits [Yes/No]	<p>Refers to interim profits the LH may wish to qualify as Own Funds as per Article 26 (2) of the CRR.</p> <p>When marked "Yes", the CASP is required to submit a confirmation, signed by the external auditor which states that the amount of verified profits, have been verified, and thereby can qualify as CET 1 instruments as part of the CASP's Own Funds.</p>
CA-IP-05	Verified Profits	<p>The amount reported here must match that stated in the External Auditor's Confirmation, which subject to the Authority's approval will qualify as CET 1 Capital.</p>

Consistent with International Accounting Standard (IAS) 1(88), entities are required to recognize 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. Fair value movements on Intangible Assets;
2. Gains and losses on re-measuring available-for-sale financial assets (IFRS 9);
3. Gains and losses on revaluation of Property, Plant and Equipment;
4. Other items of income and expense included in other comprehensive income; and
5. The corresponding amount of income tax relating to each item included in other comprehensive income.
6. Gain or loss on foreign exchange movements.
7. Gain or loss on fair value of financial assets classified as Fair Value through Other Comprehensive Income (FVOCI).

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.

(4) Income Statement and Balance Sheet

The Income Statement and Balance Sheet sheets within the Return are fully automated, offering a comprehensive snapshot of the CASP 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 CASP's true financial position.

(5) Supervisory Fee Calculator

CA-SF-05 computes the Annual Supervisory Fee in Euro, as per the stipulations of the respective LH. This fee calculation adheres to the parameters set forth in the [Legal Notice](#), ensuring compliance and accuracy in the fee assessment process.

(6) 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. For the submission of the AACR, it is mandatory that the sheet is also signed by the Auditor of the LH.

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 Licence Holder did not register a shortfall on any of the capital requirements as applicable to it under the respective 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.

CA-REP-17 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 Return, 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.

4.3 Capital Requirements

(1) Prudential Safeguards (PrSafeguards)

The Prudential (Pr) Safeguards Sheet is designed with partial automation but may necessitate manual intervention as relevant to specific circumstances. LHs are reminded of their obligation to maintain Own Funds that are at least equivalent to or exceed the Capital Requirement. The Capital Requirement is determined by the greater of two values: (i) the permanent minimum requirement, or (ii) the fixed overheads requirement.

This requirement underscores the importance of financial prudence and stability in the operations of LHs. It is essential that the latter diligently assess and ensure their compliance with these financial thresholds, as they are fundamental to the integrity and sustainability of their operations under the regulatory framework.

Own Funds

LHs are directed to refer to Annex 1 for a detailed breakdown of Own Funds, which includes pertinent legal references and specific instructions. For a comprehensive understanding and accurate calculation of Own Funds, LHs should also consult the (i) Capital Requirements Regulation (CRR), (ii) Regulatory Implementing Technical Standards on Own Funds, and (iii) [Markets in Crypto-Assets regulation](#) (MiCA).

It is incumbent upon users to meticulously complete all respective cells highlighted in grey on the sheet. In instances where a particular data point is not applicable to the entity, it should be duly noted with a "0". This

approach ensures both the completeness and accuracy of the information pertaining to Own Funds, in line with regulatory requirements and standards.

Professional Indemnity Insurance and Guarantee

In cases where the entity possesses insurance policies/guarantees as a component of its prudential safeguards, the user is obligated to indicate this by entering “Yes” in field CA-PI-001. Upon this entry, the subsequent portion of the section will be made accessible for further data entry.

In the latter section, users are required to provide detailed information regarding their Professional Indemnity Insurance. This includes the Name of the Institution or Insurer, the Jurisdiction in which the insurer operates, specific details related to the insurance instrument, and the total amount covered by the policy, expressed in the entity’s reporting currency.

(2) Fixed Overheads Requirement (FOR): Calculation

The Fixed Overhead Requirement (FOR) is required to be at least one quarter of the fixed overheads incurred in the preceding year. Users are tasked with the responsibility of entering items of expenditure as delineated in the most recent AFS, along with any applicable deductions.

For an in-depth understanding and accurate calculation, users should refer to Article 97 of the CRR and the Regulatory Technical Standards on Fixed Overheads. These references provide crucial guidelines and standards for the calculation of the FOR.

(4) Safekeeping

The *Safekeeping* Sheet must be filled in by all LHs that are required to Safekeep Clients’ Crypto-Assets and Funds as per Article 70 of Regulation (EU) 2023/1114.

The sheet is organised into two distinct sub-sections:

- (i) Clients’ Money (Fiat).
- (ii) Safekeeping of Crypto-Assets.

In the first part LHs that hold or control client money need to provide details on how these funds are safeguarded including the amounts held and the institutions holding these funds. In the second part, the LH needs to provide information on the counterparties holding Crypto-Assets.

CA-CM-07	Aggregate amount of clients' money holding	Refers to the total sum of funds held by the LH on behalf of its clients.
CA-CM-08	The entity is in a safekeeping deficit/surplus	Deficit refers to when the aggregate amount of clients' money holding is less than the total amount of FIAT outstanding attributable to clients. Surplus refers to when the aggregate amount of clients' money holding is more than the total amount of FIAT outstanding attributable to clients.
CA-CM-09	Kindly elaborate on the reason for the Entity having a Surplus/Deficit in its Safekeeping amounts	Any surplus or deficit in the safeguarded amounts should be justified by an explanation.

CA-CM-11	Does the entity offer payment services as defined in Directive (EU) 2015/2366 in connection with any of the crypto-asset services it offers?	The question relates to whether an entity providing crypto-asset services facilitates payments using crypto-assets in a way comparable to traditional payment systems as defined in Directive (EU) 2015/2366, commonly known as the Revised Payment Services Directive (PSD2)
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4.4 Operations

(1) General Crypto Services

In the General Crypto Services sheet, users are obliged to diligently fill in all cells highlighted in grey, unless specific instructions dictate otherwise. This ensures a comprehensive and accurate representation of the entity's Crypto-related activities.

The sheet is organised into two distinct sub-sections:

- (i) Crypto-Asset Transfers – This section is dedicated to the recording and analysis of Crypto-Asset settlements, necessitating detailed and precise data entry.
- (ii) Other Activities – This section is dedicated to activities undertaken by the LH that do not fall within Article 3 of Regulation (EU) 2023/1114.

This structured approach to data entry ensures clarity and consistency in the reporting of Crypto services, aligning with regulatory expectations and enhancing the overall utility of the sheet.

DP Code	Details	Comment
CA-GC-03	Accepting transaction to/from unidentifiable wallets.	For this instance, <i>unidentifiable</i> refers to the ability of the LH to identify the beneficial owner of such wallets. Thus, this question asks whether in instance where the LH is not able to do so, does it still accept transactions to/from such wallets.
CA-GC-06	Wallet Address Form	The user is required to mark if it needs to submit the <i>Wallet Address Form</i> , containing a list of wallet addresses controlled by the LH which interact/ed with third-party wallets. Note that following the first submission, LHs would be required to submit the <i>Wallet Address Form</i> in instances where additional wallet addresses were not provided to the Authority in previous submissions.

(2) Crypto Services

The Crypto Services Sheet is comprehensively designed to cover all services delineated under Article 3 of Regulation (EU) 2023/1114, with the exception of custody, which are detailed on a separate sheet. Accordingly, this sheet is systematically divided into the following categories:

- (i) Providing custody and administration of crypto-assets on behalf of clients;
- (ii) Operation of a trading platform for crypto-assets;
- (iii) Exchange of crypto-assets for funds;
- (iv) Exchange of Crypto-Assets for Other Crypto-Assets;
- (v) Execution of orders for crypto-assets on behalf of clients;
- (vi) Placing of Crypto-Assets
- (vii) Reception and Transmission of Orders for crypto-assets on behalf of clients;
- (viii) Providing advice on crypto-assets;

- (ix) Providing portfolio management on crypto-assets;
- (x) Providing transfer services for crypto-assets on behalf of clients;

Users are required to specify the licensable services offered by the LH using the provided dropdown menu. This functionality allows users to exclusively focus on filling in sections relevant to the LH's licensable activities. It is important to note that while Custody Services are detailed on a separate sheet, they are still included in the initial list of licensable services on the Crypto Services Sheet. Users should ensure that the data entered here aligns with the information provided for other Crypto services. If 'Custody' is selected as 'Yes,' users must complete the corresponding data on the Custody Sheet.

Furthermore, the sheet incorporates validation checks to assist users in identifying the necessary data inputs.

Please be attentive to the below additional information.

DP Code	Details	Comment
CA-EO-01 & CA-EO-02	Orders executed on behalf of clients	Client orders which are executed on an executing venue, excluding those orders executed by means of exchange services from the LH.
CA-EO-04	Nature of Venue	The user is required to include the nature of the executing venue, whether: [1] a Regulated Exchange; [2] an Unregulated Exchange; [3] a Regulated Broker; [4] Unregulated Broker; or [5] a DeFi Protocol. By regulated exchange and regulated broker, it is meant that the said execution venue is actively supervised by a National Competent Authority (NCA).
CA-ES-08	Top 3 Liquidity Provider Counterparties	The counterparties and/or executing venues with whom the LH trades to obtain liquidity from or hedge trades in the course of executing client orders. Please report the full official or trade name of the entity.
CA-TF-01	Crypto-Assets Transferred	<i>Transfers</i> refer to the service of conducting a transaction on behalf of a third party that allows users to transfer ownership or control of a Crypto-Asset to another user, or to transfer Crypto-Assets between Crypto-Asset addresses or accounts held by the same user. The LH must not include internal transfers between its own wallets.
CA-TF-05 & CA-TF-07	Top 3 Crypto-Assets Transferred In & Out	The option of "Other" is introduced in case one of the top 3 Crypto-Assets transferred is not on the list.

(3) Custody Details

The Custody Sheet is specifically designed for LHs who provide Custody and/or Nominee Services. It is imperative for users to meticulously complete all cells that are marked in grey, as required by the context of their services. This comprehensive approach is crucial for accurately capturing the scope and details of the custody services offered.

To assist in ensuring the thoroughness and accuracy of the data input, validation checks are integrated within the sheet. These checks are instrumental in confirming the complete and correct compilation of the sheet's information.

It is important to note that if the entity does not offer Custody and/or Nominee Services, the validation checks related to this specific service will not be applicable.

Please pay close attention to the following information;

DP Code	Details	Comment
CA-CT-10	Top 5 Third Parties with which clients' Crypto-Assets are held	Please report the full official or trade name of the entity.
CA-CT-15	Hot/Warm/Cold Wallet Ratio	This refers to the respective ratio of Hot, Warm to Cold wallets for the top 5 Crypto-Assets held within the LH's custodial perimeter. This data points must be reported as percentage figures. For instance, <i>70% held in Cold Wallets, 10% held in Warm Wallets while 20% in Hot Wallets. The total of the 3 cannot exceed 100%.</i>

(4) Clients' Details

The Clients Details Sheet is designed for users to provide specific information relevant to the LH. It is imperative that users fill in all cells highlighted in grey, ensuring that each entry is applicable and accurately reflects the LH's client-related data.

In circumstances where certain data points are not applicable to the LH's operations or client base, users are required to input "0". This practice ensures clarity and consistency in data reporting, allowing for a comprehensive understanding of the LH'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.

DP Code	Details	Comment
CA-CD-017	Clients' relationship terminated	Clients' relationship terminated due to concerns and other decisions taken by the company.

(5) Complaints

The Complaints Sheet is meticulously designed to collect essential information regarding complaints.

This sheet is an integral part of the Return, as it focuses on critical aspects of the LH's operations related to the handling of complaints. Accurate and thorough documentation in this area is essential for demonstrating compliance with regulatory standards and for maintaining the integrity of the LH's business practices.

Users are required to pay close attention to the following information;

DP Code	Details	Comment
CA-CO-07	Complaints – Realistic Compensation payable exposure	The user should enter "0" if no compensation is expected to be payable.

(6) Outsourcing

The Outsourcing Sheet is specifically designed to compile information regarding the Outsourcing Arrangements in which the LH is engaged. This sheet plays a crucial role in documenting and managing the external partnerships and services that are integral to the LH's operations.

Initially, users are required to complete the field CA-OS-001 by selecting an option from the provided dropdown list. The selection made in CA-OS-001 is pivotal, as choosing 'Yes' will reveal the remainder of the sheet for further data entry. This mechanism ensures that only relevant sections are made accessible, thereby streamlining the data entry process for the user.

Please be attentive to the following information;

DP Code	Details	Comment
N/A	Outsourcing	Outsourcing may be defined as an agreement between institutions, by which one performs a process/es, service/s, or activity that would otherwise be undertaken internally by the other institution.
CA-OS-04	Breakdown of Outsourcing; <i>Outsourced Party</i>	The user is requested to report the full name of the third-party entity undertaking an outsourced service or function, in part or in full, under the outsourcing arrangement.
CA-OS-04	Breakdown of Outsourcing; <i>Is it Critical or Important?</i>	The user is requested to select Yes/No from the dropdown list. The below criteria should be utilised to assess the critical importance of outsourcing: <ul style="list-style-type: none"> i. Where a defect or failure in its performance would impair the compliance of the LH, ii. financial performance, and/or iii. licensable activities
CA-OS-04	Is Sub-Outsourcing utilised?	The user is requested to confirm or otherwise if the outsourcing company is further delegating a service or task to another third-party.

The Licence Holder shall always consider a function as critical or important in the following situations:

a) where a defect or failure in its performance would materially impair:

i. the Licence Holder's continuing compliance with the conditions of its authorisation or other obligations under the Regulations and the Licence Holder's regulatory obligations;

ii. the Licence Holder's financial performance; or

iii. the Licence Holder's soundness or continuity of its payment and, or electronic money services and activities;

b) when operational tasks of internal control functions are outsourced, unless the assessment establishes that a failure to provide the outsourced function or the inappropriate provision of the outsourced function would not have an adverse impact on the effectiveness and quality of the internal control function;

c) when they intend to outsource functions of crypto services to an extent that would require authorisation by a competent authority in a Member State or in a third country.

(7) Custody Annual Form

The Custody Annual Form is a critical component of the AACR. The former must be completed by the LH on an annual basis.

(8) Passporting

The passporting sheet is designed to collect information about Licence Holders providing cross-border crypto-asset services as per Article 65 of Regulation (EU) 2023/1114. Licence holders offering services in any of the EU/EEA Member States, excluding Malta, must provide information about the number of clients, as well as the value of transactions per service, for each EU/EEA Member State where the service is offered.

Concluding Remarks

LHs are reminded of their obligation to notify the Authority immediately of any breaches. This notification should occur as soon as the LH becomes aware of such a breach.

For comprehensive details regarding submission deadlines for the CASP Return and other regulatory reporting obligations, LHs are encouraged to refer to the [MFSA Website](#). Additionally, the *CASP Documentation Table*, available on the [MFSA Website](#), serves as a valuable resource for understanding these requirements.

Should there be any queries or need for clarification regarding the CASP Return, LHs are urged not to hesitate in contacting the Fintech Function at SUFintech@mfsa.mt. The Authority remains committed to providing support and guidance to ensure compliance and facilitate a smooth reporting process.

Annex 1: Breakdown of Own Funds

DP Code	Details	Comment
CA-OF-001	Own Funds; Common Equity Tier 1	<p>Articles 4(1) (118) and 72 of CRR</p> <p>CET 1 capital is defined in Article 50 of CRR.</p> <p>The above should be read in conjunction with article 67 of the MiCA regulation.</p>
CA-OF-005	Paid up capital instrument	<p>Articles 26(1) point (a) and 27 to 31 of CRR</p> <p>The share premium related to instruments shall not be included.</p>
CA-OF-006	Memorandum Items	<p>Article 28(1) points (b), (l) and (m) of CRR</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>
CA-OF-007	Share Premium	<p>Articles 4(1) (124), 26(1) point (b) of CRR</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>
CA-OF-008a	Own CET1 Instruments	<p>Articles 36(1) point (f) and 42 of CRR</p> <p>Own CET 1 held by the reporting LH 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>
CA-OF-008b	Actual or contingent obligations to purchase own CET1 instruments	Articles 36(1) point (f) and 42 of CRR
CA-OF-013	Retained Earnings	<p>Articles 26(1) point (c) and 26(2) of CRR</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>
CA-OF-014	Previous years' retained earnings	<p>Articles 4(1)(123) and 26(1) point (c) of CRR</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>
CA-OF-015	Profit or loss eligible	<p>Articles 4(1)(123), 26(2) and 36(1) point (a) of CRR</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.</p>

		On the other hand, losses shall be deducted from CET1, as stated in Article 36(1) point (a) of CRR.
CA-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>
CA-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>
CA-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> <p>The amount to be reported shall be net of any tax charge foreseeable at the moment of the calculation.</p>
CA-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>
CA-OF-022	Adjustment to CET1 due to prudential filters	<i>Articles 32 to 35 of CRR</i>
CA-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>
CA-OF-024	Cash flow hedge reserve	<p><i>Article 33(1) point (a) of CRR</i></p> <p>The amount to 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>
CA-OF-025		<i>Article 33(1) point (b) of CRR</i>

	Cumulative gains and losses due to changes in own credit risk on fair valued liabilities	<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> <p>Unaudited profits shall not be included in this item.</p>
CA-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>
CA-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>
CA-OF-028	Goodwill	<i>Articles 4(1)(113), 36(1) point (b) and 37 of CRR</i>
CA-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>
CA-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>
CA-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>
CA-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 LHs 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>
CA-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>
CA-OF-033		<i>Article 37 point (a) of CRR</i>

	Deferred tax liabilities associated to other intangible assets	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.
CA-OF-034	Deferred tax assets that rely on future profitability and do not arise from temporary differences	<i>Articles 36(1) point (c) and 38 of CRR</i>
CA-OF-035	IRB Shortfall of credit risk adjustments to expected losses	<i>Articles 36(1) point (d), 40, 158 and 159 of CRR</i> 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.
CA-OF-036	Defined benefit pension fund assets	<i>Articles 4(1)(109), 36(1) point (e) and 41 of CRR</i>
CA-OF-037	Defined benefit pension fund assets gross amount	<i>Articles 4(1)(109), 36(1) point (e) of CRR</i> 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”. The amount to be reported here shall correspond to the amount reported in the balance sheet (if reported separately).
CA-OF-038	Deferred tax liabilities associated to defined benefit pension fund assets	<i>Articles 4(1)(108) and (109), and 41(1) point (a) of CRR</i> 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.
CA-OF-039	Defined benefit pension fund assets which the entity has unrestricted ability to use	<i>Articles 4(1)(109) and 41(1) point (b) of CRR</i> This item shall only present any amount if there is the prior consent of the National Competent Authority to reduce the amount of defined benefit pension fund assets to be deducted. The assets included in this row shall receive a risk weight for credit risk requirements.
CA-OF-040	Reciprocal cross holdings in CET1 Capital	<i>Articles 4(1)(122), 36(1) point (g) and 44 of CRR</i> 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. 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.
CA-OF-042	Qualifying holdings outside the financial sector	<i>Articles 4(1)(36), 36(1) point (k)(i) and 89 to 91 of CRR</i> <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> 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%.

CA-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>
CA-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>
CA-OF-045	Equity exposures under an internal model approach	<p><i>Articles 36(1) point (k)(v) and 155(4) of CRR</i></p> <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%.</p>
CA-OF-046	CET1 capital elements of deductions – Others	<p>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.</p>

Annex 2: Various Definitions

(1) Residency

Version v:25-01-a of the CASP Return introduces the segregation of various data points by residency. This applies to the sources of income generated by CASPs, 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.

Tourists, patients, students, visiting officials, businessmen, salesmen, artists, and crew members traveling abroad.

Locally recruited staff working in the extraterritorial enclaves of foreign governments.

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) **Client and Account Type**

Version v:25-01-a of the CASP Return introduces the segregation of clients by type. Furthermore, the CASP return also segregates account type in 3 different categories as explained below.

Client Type

Business to Business (B2B)	Refers to corporate clients.
Business to Consumer (B2C)	refers to non-corporate clients.

Account Type

Active	Clients who made at least one trade in the last 12 months
Dormant	Dormant clients refer to clients which, due to inactivity, require an additional process to 're-activate' their accounts prior to them accessing the services, other than custody and holding of Client Monies. (Thus, Dormant clients may still have crypto-assets under custody or FIAT held by the Entity).
Inactive	Inactive clients refer to clients who have not utilised any service other than Custody or transferred FIAT to the Entity's client account. Thus, while clients may have crypto-assets or FIAT held with the CASP, if the previous criteria is met, they are to be reported Inactive (or Dormant should that criteria be met). For clarity's sake, in the Safekeeping and Custody sheets, all Clients for whom FIAT or Crypto-assets are held by the Entity are to be reported there independent of their activity status.

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