B 1714

L.N. 162 of 2026

INCOME TAX ACT
(CAP. 123)

Cooperation with Other Jurisdictions on Tax Matters (Amendment) Regulations, 2026

IN EXERCISE of the powers conferred by articles 76 and 96 of the Income Tax Act, the Minister responsible for finance has made the following regulations:-

Citation and commencement.

S.L.123.127.

1. (1) The title of these regulations is the Cooperation with Other Jurisdictions on Tax Matters (Amendment) Regulations, 2026 and these regulations shall be read and construed as one with the Cooperation with Other Jurisdictions on Tax Matters Regulations hereinafter referred to as the "principal regulations".

(2) These regulations shall be deemed to have come into force on the 1st of January 2026.

Amends regulation 2 of the principal regulations.

2. In regulation 2 of the principal regulations the definition "EU Administrative Cooperation Directive" shall be substituted by the following new definition:

" "EU Administrative Cooperation Directive" means Council Directive 2011/16/EU of 15 February 2011 on administrative cooperation in the field of taxation and repealing Directive 77/799/EEC as amended by Council Directive 2014/107/EU, and Council Directives (EU) 2015/2376, 2016/881, 2018/822, 2020/876, 2021/514, 2023/2226 and 2025/872;".

Amends regulation 5 of the principal regulations.

3. The proviso to sub-regulation (1) of regulation 5 of the principal regulations shall be substituted by the following new proviso:

"Provided that no person may be requested to provide information which is the subject of attorney client privilege. For the purposes of this sub-regulation, "information which is the subject of attorney client privilege" means confidential communications between a client and a lawyer or other legal representative produced for the purposes of seeking or providing legal advice or for the purposes of use in existing or contemplated legal proceedings.".

4. Immediately after sub-regulation (3) of regulation 6 of the principal regulations there shall be added the following new sub-regulation:

Amends regulation 6 of the principal regulations.

"(4) Where any person from whom the Commissioner has requested information in accordance with these regulations or article 10A of the Income Tax Management Act, discloses to the person concerned or to a third party the fact that information has been requested by the Commissioner or that information has been or may be transmitted to the Commissioner, such person shall be guilty of an offence and shall be liable on conviction to a fine (*multa*) not exceeding one hundred and fifteen thousand euro (€115,000) or to imprisonment for a term not exceeding two (2) years or to both such fine and imprisonment.".

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5. In paragraph (b) of sub-regulation (2) of regulation 10 of the principal regulations the words "in the relevant arrangement." shall be substituted by the words "in the relevant arrangement;" and immediately thereafter there shall be added the following new paragraph:

Amends regulation 10 of the principal regulations.

"(c) the provision of information would likely lead to the disclosure of a commercial, industrial or professional secret or of a commercial process, or of information whose disclosure would be contrary to public policy.".

6. Regulation 13 of the principal regulations shall be amended as follows:

Amends regulation 13 of the principal regulations.

(a) sub-regulation (1) thereof shall be substituted by the following new sub-regulation:

"(1) The competent authority in Malta shall, by automatic exchange, communicate to the competent authority of any other EU Member State all information that is available concerning residents of such other EU Member State, on the following specific categories of income and capital:

(a) income from employment;

(b) director's fees;

(c) life insurance products not covered by other Union legal instruments on exchange of information and other similar measures;

(d) pensions;

(e) ownership of and income from immovable property;

(f) royalties;

(g) non-custodial dividend income other than income from dividends exempt from corporate income tax in accordance with Articles 4, 5 or 6 of Council Directive 2011/96/EU of 30 November 2011 on the common system of taxation applicable in the case of parent companies and subsidiaries of different Member States, as transposed through the European Union Directives Regulations.";

S.L. 123.74.

(b) sub-regulation (2) thereof shall be substituted by the following new sub-regulation:

"(2) Reporting Malta Financial Institutions shall perform the reporting and due diligence rules included in Annexes I and II. In accordance with such applicable reporting and due diligence rules, the competent authority in Malta shall, by automatic exchange, communicate to the competent authority of any other Member State, the following information regarding taxable periods as from 1 January 2016 concerning a Reportable Account of residents in such other Member State:

(a) the name, address, TINs and date and place of birth, in the case of an individual, of each Reportable Person that is an Account Holder of the account and, in the case of any Entity that is an Account Holder and that, after application of due diligence rules consistent with the Annexes I and II, is identified as having one (1) or more Controlling Persons that are Reportable Persons, the name, address, and TINs of the Entity and the name, address, TINs and date and place of birth of each Reportable Person;

(b) the account number, or functional equivalent in the absence of an account number;

(c) the name and identifying number, if any, of the Reporting Financial Institution;

(d) the account balance or value including, in the case of a Cash Value Insurance Contract or Annuity Contract, the Cash Value or surrender value, as of the end of the relevant calendar year or

other appropriate reporting period or, if the account was closed during such year or period, the closure of the account;

(e) in the case of any Custodial Account:

(i) the total gross amount of interest, the total gross amount of dividends, and the total gross amount of other income generated with respect to the assets held in the account, in each case paid or credited to the account, or with respect to the account, during the calendar year or other appropriate reporting period; and

(ii) the total gross proceeds from the sale or redemption of Financial Assets paid or credited to the account during the calendar year or other appropriate reporting period with respect to which the Reporting Financial Institution acted as a custodian, broker, nominee, or otherwise as an agent for the Account Holder;

(f) in the case of any Depository Account, the total gross amount of interest paid or credited to the account during the calendar year or other appropriate reporting period;

(g) in the case of any account not described in paragraphs (e) or (f), the total gross amount paid or credited to the Account Holder with respect to the account during the calendar year or other appropriate reporting period with respect to which the Reporting Financial Institution is the obligor or debtor, including the aggregate amount of any redemption payments made to the Account Holder during the calendar year or other appropriate reporting period;

(h) whether a valid self-certification has been provided for each Account Holder;

(i) the roles by virtue of which each Reportable Person that is a Controlling Person of an Entity Account Holder is a Controlling Person of the Entity and whether a valid self-certification

has been provided for each such Reportable Person;

(j) the type of account, whether the account is a Pre-existing Account or a New Account and whether the account is a joint account, including the number of joint Account Holders; and

(k) in the case of any Equity Interest held in an Investment Entity that is a legal arrangement, the roles by virtue of which the Reportable Person is an Equity Interest holder:

Provided that for the purposes of exchange of information under this sub-regulation, unless otherwise foreseen in this sub-regulation or in the Annexes, the amount and characterisation of payments made with respect to Reportable Accounts shall be determined in accordance with Maltese legislation:

Provided further, the first paragraph of this sub-regulation shall prevail over paragraph (c) of sub-regulation (1) or any other Union legal instrument, to the extent that the exchange of information at issue would fall within the scope of paragraph (c) of sub-regulation (1) above or of any other Union legal instrument."

(c) sub-regulation (3) thereof shall be amended as follows:

(i) paragraph (d) thereof shall be substituted by the following new paragraph:

"(d) (i) paragraphs (a) and (b) shall not apply in the case where an advance cross-border ruling exclusively concerns and involves the tax matters of one (1) or more natural persons:

Provided that where such an advance cross-border ruling was issued, amended or renewed after 1 January 2026 and where:

(A) the amount of the transaction or series of transactions of the advance cross-border ruling exceeds one million and five hundred thousand euro (€1,500,000) or the

equivalent amount in any other currency if such amount is referred to in the advance cross-border ruling; or

(B) the advance cross-border ruling determines whether a person is resident for tax purposes in Malta or otherwise;

(ii) for the purposes of paragraph (A) of the proviso to sub-paragraph (i) and without prejudice to the amount referred to in the advance cross-border ruling, in a series of transactions regarding different goods, services or assets the amount of the advance cross-border ruling shall comprise the total underlying value. The amounts shall not be aggregated if the same goods, services or assets are transacted several times;

(iii) notwithstanding the provisions of paragraph (B) of the proviso to sub-paragraph (i), the exchange of information on advance cross-border rulings concerning natural persons shall not include such rulings on taxation at source with regard to non-residents' income from employment, director's fees or pensions.";

(ii) paragraph (e) thereof shall be amended as follows:

- sub-paragraph (i) thereof shall be substituted by the following new sub-paragraph:

"(i) the identification of the person, other than a natural person, except where the advance-cross border ruling concerns a natural person and shall be communicated pursuant to paragraphs (a) and (d), and where appropriate the group of persons to which it belongs;";

- sub-paragraph (xi) thereof shall be substituted by the following new sub-paragraph:

"(xi) the identification of any person, other than a natural person, except where the advance-cross border ruling concerns a natural person and shall be communicated in accordance with paragraphs (a) and (d), in the other EU Member

States, if any, likely to be affected by the advance cross-border ruling or advance pricing arrangement;";

(d) sub-regulation (5) thereof shall be substituted by the following new sub-regulation:

"(5) For the purposes of this regulation, any capitalised term shall have the same meaning as assigned to it in the Annexes.";

(e) sub-regulation (7) thereof shall be amended as follows:

(i) in the second proviso to paragraph (e) thereof the words "may determine." shall be substituted by the words "may determine:" and immediately thereafter there shall be added the following new provisos:

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" Provided further that an intermediary whose profession in accordance with the Professional Secrecy Act is that of an advocate, notary and legal procurator and such intermediary has waived such reporting obligation, the intermediary shall notify, without delay and in any event not later than seven (7) working days from the relevant date established by paragraph (a), his client, if such client is an intermediary or, where there is no such intermediary, such client is the relevant taxpayer, of that client's reporting obligations under sub-regulation (6). For the purposes of this paragraph, the term "client" means any intermediary or relevant taxpayer, who receives services, including assistance, advice, counsel or guidance, from a legal professional as defined in accordance with Directive 98/5/EC of the European Parliament and of the Council of 16 February 1998 to facilitate practice of the profession of lawyer on a permanent basis in a Member State other than that in which the qualification was obtained, in relation to a reportable cross-border arrangement:

Provided further that with effect from 1st January 2027, an intermediary shall only have the right to a waiver from filing information on a reportable cross-border arrangement in terms of this sub-regulation if such intermediary is a legal professional as defined in terms of Directive 98/5/EC of the European Parliament and of the Council.";

(ii) paragraph (o) thereof shall be amended as follows:

- sub-paragraph (i) thereof shall be substituted by the following new sub-paragraph:

"(i) the identification of intermediaries, other than intermediaries exempt from the reporting obligation in accordance with paragraph (e), and relevant taxpayers, including their name, date and place of birth, in the case of an individual, residence for tax purposes, TIN and, where appropriate, the persons that are associated enterprises to the relevant taxpayer;

- sub-paragraph (iii) thereof shall be substituted by the following new sub-paragraph:

"(iii) a summary of the content of the reportable cross-border arrangement, including a reference to the name by which it is commonly known, if any, and a description of the relevant arrangements and any other information which may assist the receiving competent authority in assessing a potential tax risk, without leading to the disclosure of a commercial, industrial or professional secret or of a commercial process, or of information the disclosure of which would be contrary to public policy;";

(f) sub-regulation (8) thereof shall be amended as follows:

(i) paragraph (b) thereof shall be substituted by the following new paragraph:

"(b) for the information stipulated in sub-regulation (2), annually, within nine (9) months following the end of the year of assessment during

which the information became available:

Provided that the competent authority in Malta shall communicate the information referred to in paragraphs (h) to (k) regarding taxable periods as from 1st January 2026; ";

(ii) in paragraph (f) thereof the words "1st January 2023." shall be substituted by the words "1st January 2023;" and immediately thereafter there shall be added the following new paragraph:

"(g) for the information stipulated in sub-regulation (13), within nine (9) months following the end of the calendar year to which the reporting requirements applicable to Reporting Malta Crypto-Asset Service Providers relate. The first information shall be communicated for the relevant calendar year or other appropriate reporting period as from 1 January 2026.";

(g) sub-regulation (9) thereof shall be amended as follows:

(i) the definition "automatic exchange of information" thereof shall be amended as follows:

-paragraph (a) thereof shall be substituted by the following new paragraph:

"(a)for the purposes of sub-regulations (1), (3), (4), (7), (12) and (13), the systematic communication of pre-defined information to another Member State, without a prior request, at pre-established regular intervals. For the purposes of sub-regulation (1), the reference to available information relates to information in the tax files of Malta, which is retrievable in accordance with the procedures for gathering and processing information in Malta;";

-paragraph (c) thereof shall be substituted by the following new paragraph:

"(c)for the purposes of the provisions of these regulations that implement the EU Administrative Cooperation Directive, other than sub-regulations (1), (2), (3), (4), (7), (12) and (13), the systematic

communication of pre-defined information provided in paragraphs (a) and (b);";

(ii)in paragraph (d) of the definition "advance cross-border ruling" thereof immediately after the words "permanent establishment" there shall be added the words "or to the question of whether or not a natural person is resident for tax purposes in the Member State issuing the ruling";

(iii) in the definition "bespoke arrangement" thereof the words "marketable arrangement." shall be substituted by the words "marketable arrangement;" and immediately thereafter there shall be added the following new definitions:

" "non-custodial dividend income" means dividends or other income treated as dividends in the payer's Member State which are paid or credited to an account other than a Custodial Account as defined in sub-paragraph (3) of paragraph C of Section VIII, of Annex I;

"life insurance products not covered by other Union legal instruments on exchange of information and other similar measures" means Insurance Contracts, other than Cash Value Insurance Contracts subject to reporting under Section I of Annex I, where benefits under the contracts are payable on the death of a policy holder;

"distributed ledger address" means distributed ledger address referred to in Regulation (EU) 2023/1114 of the European Parliament and of the Council of 31 May 2023 on markets in crypto-assets, and amending Regulations (EU) No 1093/2010 and (EU) No 1095/2010 and Directives 2013/36/EU and (EU) 2019/1937;";

(h) in paragraph (f) of sub-regulation (10) thereof the words "1st January 2023." shall be substituted by the words "1st January 2023;" and immediately thereafter there shall be added the following new paragraph:

"(g) the provisions of sub-regulations (2)(h)

to (k) and (13) shall be deemed to have come into force on 1 January 2026.";

(i) sub-regulation (12) thereof shall be amended as follows:

(i) in sub-paragraph (xii) of paragraph (c) thereof the words "Reportable Period:" shall be substituted by the words "Reportable Period;" and immediately thereafter there shall be added the following new paragraph:

"(xiii) the Identification Service identifier and the Member State of issuance, where the Reporting Platform Operator relies on direct confirmation of the identity and residence of the Seller through an Identification Service made available by a Member State or the Union to ascertain the identity and tax residence of the Seller; in such cases it is not necessary to communicate to the Member State of issuance of the Identification Service identifier the information referred to in sub-paragraphs (iii) to (vii):";

(ii) in second proviso to paragraph (e) thereof the words "Reporting Malta Platform Operator." shall be substituted by the words "Reporting Malta Platform Operator:" and immediately thereafter there shall be added the following new proviso:

"Provided further that a Reporting Platform Operator within the meaning of sub-paragraph A(4)(b) of Section I of Annex V shall not be required to register with the Commissioner for the purpose of these regulations, if such Platform Operator is resident for tax purposes in a non-Union jurisdiction which has an Effective Qualifying Competent Authority Agreement, which already provides for the automatic exchange of equivalent information with Malta on Reportable Sellers resident in Malta.";

(iii) in sub-paragraph (iii) of paragraph (g) thereof the words "shall request the Commission to delete" shall be substituted by the words "shall remove";

(j) immediately after sub-regulation (12) thereof, as

amended, there shall be added the following new sub-regulation:

"Automatic exchange of information reported by Reporting Crypto-Asset Service Providers.

(13) (a) A Reporting Malta Crypto-Asset Service Provider shall apply the due diligence procedures and fulfil reporting requirements established in Sections II and III of Annex VI.

(b) The competent authority in Malta shall, by means of automatic exchange, communicate the information specified in paragraph (c) to the competent authorities of the EU Member States concerned within the time limit established in sub-regulation (8)(g).

(c) The competent authority in Malta shall communicate the following information regarding each Reportable Person:

(i) the name, address, Member States of residence, TINs and, in the case of an individual, date and place of birth of each Reportable User and, in the case of any Entity that, after application of the due diligence procedures established in Section III of Annex VI is identified as having one (1) or more Controlling Persons that is a Reportable Person, the name, address, Member States of residence and TINs of the Entity and the name, address, Member States of residence, TINs and date and place of birth of each Controlling Person of the Entity that is a Reportable Person, as well as the roles by virtue of which each such Reportable Person is a Controlling Person of the Entity:

Provided that where the Reporting Crypto-Asset Service Provider relies on direct confirmation of the identity and residence of the Reportable Person through an Identification Service made available by a Member State or the Union to ascertain the identity and tax residence of the Reportable Person, the information which shall be communicated to the Member State of issuance of the Identification Service identifier regarding the Reportable Person shall include the name, the Identification Service identifier and the Member State of issuance, as well as the roles by virtue of which each Reportable Person is a Controlling Person of the Entity;

(ii) the name, address, TIN and, if available, the individual identification number referred to in paragraph (g) and the global legal entity identifier of the Reporting Crypto-Asset Service Provider;

(iii) for each type of Reportable Crypto-Asset with respect to which the Reporting Crypto-Asset Service Provider has effectuated Reportable Transactions during the relevant calendar year or other appropriate reporting period, where relevant:

(A) the full name of the type of Reportable Crypto-Asset;

(B) the aggregate gross amount paid, the aggregate number of units and the number of Reportable Transactions in respect of acquisitions against Fiat Currency;

(C) the aggregate gross amount received, the aggregate number of units and the number of Reportable Transactions in respect of disposals against Fiat Currency;

(D) the aggregate fair market value, the aggregate number of units and the number of Reportable Transactions in respect of acquisitions against other Reportable Crypto-Assets;

(E) the aggregate fair market value, the aggregate number of units and the number of Reportable Transactions in respect of disposals against other Reportable Crypto-Assets;

(F) the aggregate fair market value, the aggregate number of units and the number of Reportable Retail Payment Transactions;

(G) the aggregate fair market value, the aggregate number of units and the number of Reportable Transactions and subdivided by transfer type where known by the Reporting Crypto-Asset Service Provider, in respect of Transfers to the Reportable User not covered by points (B) and (D);

(H) the aggregate fair market value, the aggregate number of units and the number of Reportable Transactions, and subdivided by transfer type where it is known by the Reporting Crypto-Asset Service Provider, in respect of transfers by the Reportable User not covered by points (C), (E) and (F); and

(I) the aggregate fair market value, as well as the aggregate number of units of Transfers effectuated by the Reporting Crypto-Asset Service Provider to distributed ledger addresses referred to in Regulation (EU) 2023/1114 of the European Parliament and of the Council of 31 May 2023 on markets in crypto-assets, and amending Regulations No (EU) 1093/2010 and No (EU) 1095/2010 and Directives 2013/36/EU and (EU) 2019/1937 not known to be associated with a virtual asset service provider or Financial Institution:

Provided that for the purposes of points (B) and (C), the amount paid or received shall be communicated in the Fiat Currency in which it was paid or received. In case the amounts were paid or received in multiple Fiat Currencies, the amounts shall be communicated in a single Fiat Currency, converted at the time of each Reportable Transaction in a manner that is consistently applied by the Reporting Crypto-Asset Service Provider:

Provided further that for the purposes of points (D) and (I), the fair market value shall be determined and communicated in a single Fiat Currency, valued at the time of each Reportable Transaction in a manner that is consistently applied by the Reporting Crypto-Asset Service Provider:

Provided further that the information communicated shall specify the Fiat Currency in which each amount is reported.

(d) The European Commission shall not have access to the information referred to in sub-paragraphs (c)(i) and (ii).

(e) For the purpose of complying with the reporting requirements referred to in paragraph (a), a Crypto-Asset Operator within the meaning of sub-paragraph B(2) of Section IV of Annex VI shall register with the Commissioner in such manner and within such period of time that the Commissioner may require, by means of guidelines published on the website of the Commissioner for Tax and Customs in accordance with the provisions of article 96(2) of the Income Tax Act.

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(f) A Crypto-Asset Operator whose registration has been revoked in accordance with sub-paragraph F(7) of Section V of Annex VI shall only be permitted to register again if it provides to the Commissioner appropriate assurance as regards its commitment to comply with the reporting requirements within the Union, including any outstanding unfulfilled reporting requirements.

(g) Paragraphs (e) and (f) shall not apply to Crypto-Asset Service Providers within the meaning of sub-paragraph B(1) of Section IV, of Annex VI.".

Amends regulation 18 of the principal regulations.

7. Regulation 18 of the principal regulations shall be amended as follows:

(a) in paragraph (a) of sub-regulation (1) thereof the words "under the Income Tax Act." shall be substituted by the words "under the Income Tax Acts." and the words "as well as VAT and other indirect taxes:" shall be substituted by the words "as well as VAT, other indirect taxes, customs duties and anti-money laundering and countering the financing of terrorism:";

(b) immediately after paragraph (b) of sub-regulation (2) thereof, there shall be added the following new paragraph:

"(c) The competent authority in Malta that receives information and documents may also use the received information and documents without the permission referred to in paragraph (a) for any purpose that is covered by an act based on Article 215 of the Treaty on the Functioning of the European Union and share them for such purpose with the competent authority in charge of restrictive measures in Malta in accordance with the decision taken under the said Article 215.";

(c) paragraph (a) of sub-regulation (4) thereof shall be substituted by the following new paragraph:

"(a) When the competent authority in Malta considers that information which it has received from the competent authority of another EU Member State is likely to be useful for the purposes referred to in sub-regulation (1)(a) to the competent authority of a third Member State, it may transmit that information to the latter competent authority, provided that the transmission is in accordance with the rules and procedures established in these regulations. The competent authority in Malta shall inform the competent authority of the Member State from which the information originates about its intention to share that information with a third Member State. The Member State of origin of the information may oppose such a sharing of information within fifteen (15) calendar days of receipt of the communication from the competent authority in Malta that wants to share the information.".

8. Regulation 21 of the principal regulations shall be amended as follows:

Amends regulation 21 of the principal regulations.

(a) sub-regulation (1) thereof shall be substituted by the following new sub-regulation:

"(1) (a) Every exchange of information in accordance with these regulations shall be made in conformity with Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) and the Data Protection Act, including the regulations made thereunder.

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(b) The Commissioner may restrict the rights and obligations established in Article 13, Article 14(1) and Article 15 of Regulation (EU) 2016/679, where such restriction respects the essence of the fundamental rights and freedoms and is a necessary and proportionate measure in a democratic society to safeguard the objective established in Article 23(1)(e) of Regulation (EU) 2016/679. Before applying a restriction, the Commissioner shall conduct a necessity and proportionality assessment and be able to demonstrate that the application of the restriction is necessary and proportionate.

(c) The Commissioner shall keep a record of any such restriction and the reasons for such restriction.

(d) Where a restriction applies, the Commissioner shall inform the data subject, in writing, of the rights and obligations being restricted, the reason for such restriction, and his right to file a data protection complaint with the Information and Data Protection Commissioner:

Provided that this requirement shall not apply where such information may be prejudicial to the purpose of the restriction.

(e) The Commissioner shall periodically review the decision applying a restriction and assess the necessity and proportionality thereof to ensure that the justification for the restriction is still valid:

Provided that where the reason for the restriction no longer applies, the Commissioner shall lift the restriction without undue delay.

(f) The data protection officer shall be consulted, properly and in a timely manner, with respect to such restriction as referred to in paragraph (a), both prior to and throughout the duration of such restriction.";

(b) sub-regulation (3) thereof shall be substituted by the following new sub-regulation:

"(3) The Reporting Malta Financial Institutions, the intermediaries, the Reporting Malta Platform Operators, Reporting Crypto-Asset Providers and the competent authority in Malta shall be considered to be data controllers when, acting alone or jointly, they determine the purposes and means of the processing of personal data within the meaning of the regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) and the Data Protection Act.";

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(c) sub-regulation (4) thereof shall be substituted by the following new sub-regulation:

"(4) Notwithstanding the provisions of sub-regulation (1), the Commissioner shall ensure that each Reporting Malta Financial Institution, intermediary, or Reporting Malta Platform Operator, or Reporting Crypto-Asset Provider, as the case may be, which falls under the jurisdiction of Malta:

(a) informs each individual concerned that information relating to such individual shall be collected and transferred in accordance with these regulations; and

(b) provides to each individual concerned with all the information that the individual is entitled to from the data controller in sufficient time for such individual to exercise his data protection rights and, in any case, before the information is reported:

Provided that notwithstanding the provisions of this sub-regulation, each Reporting Malta Platform Operator shall inform Reportable Sellers of the reported consideration.";

(d) sub-regulation (5) thereof shall be substituted by the following new sub-regulation:

"(5) Information processed in accordance with these regulations shall be retained for not longer than is necessary to achieve the purposes of these regulations:

Provided that information received through the automatic exchange of information in accordance with sub-regulations (1) to (13) of regulation 13 shall be retained for not longer than is necessary but in any event, not less than five (5) years from its date of receipt to achieve the purposes of these regulations.".

9. Regulation 22 of the principal regulations shall be amended as follows:

Amends regulation 22 of the principal regulations.

(a) in sub-regulation (3) thereof, for the words "and (12)" shall be substituted by the words "and (13);

(b) immediately after sub-regulation (6) thereof there shall be added the following new sub-regulations:

"(7) A standard form, including the linguistic arrangements, shall be adopted by the EU Commission in accordance with the procedure referred to in Article 26(2) of the EU Administrative Cooperation Directive before 30 June 2025. The automatic exchange of information on reportable Crypto-Assets in accordance with regulation 13(13) shall be carried out using this standard form. This standard form shall not exceed the components for

exchange of the information listed in regulation 13(13)(c) and other relating fields linked to these components which are necessary to achieve the objectives of regulation 13(13).

(8) A reporting entity is allowed to obtain confirmation by electronic means of the validity of the information on the TIN of any taxpayer subject to the exchange of information under regulation 13(1) to (13). The confirmation of the information on the TIN may be requested only for the purposes of validation of the correctness of data referred to in regulation 13(1), (2), (3)(e), (4)(c), (7)(o), (12)(c) and (13)(c). A reporting entity may confirm validity of TIN information through a tool which shall be provided by the EU Commission, allowing an electronic and automated verification of the correctness of the TIN provided by a reporting entity or a taxpayer for the purposes of the automatic exchange of information.".

Amends regulation 33 of the principal regulations.

10. Sub-regulation (1) of regulation 33 of the principal regulations shall be amended as follows:

(a) the words "Where a Reporting Malta Financial Institution fails to comply with any of the obligations set out in the FATCA Agreement or the FATCA Regulations, the Reporting Malta Financial Institution shall be liable to the following penalties:" shall be substituted by the words "Where a Financial Institution fails to comply with any of the obligations established in the FATCA Agreement or the FATCA Regulations, the Financial Institution shall be liable:";

(b) in paragraph (e) thereof for the words "Reporting Malta Financial Institution" shall be substituted by the words "Financial Institution".

Amends regulation 35 of the principal regulations.

11. Sub-regulation (2) of regulation 35 of the principal regulations shall be substituted by the following new sub-regulation:

"(2) The notice referred to in sub-regulation (1) may be served on the relevant person in the same manner as described in article 29(1) of the Income Tax Management Act.".

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Amends regulation 44 of the principal regulations.

12. Sub-regulation (1) of regulation 44 of the principal regulations shall be amended as follows:

(a) the words "Where a Reporting Malta Financial Institution fails to comply with any of the obligations set out in

the EU Administrative Cooperation Directive, the Reporting Malta Financial Institution shall be liable to the following penalties:" shall be substituted by the words "Where a Financial Institution fails to comply with any of the obligations established in the EU Administrative Cooperation Directive, the Financial Institution shall be liable:";

(b) in paragraph (f) thereof the words "Reporting Malta Financial Institution" shall be substituted by the words "Financial Institution".

13. Immediately after regulation 52 of the principal regulations there shall be added the following new regulations:

Adds new regulations to the principal regulations.

"Effectiveness of administrative cooperation.

53. The effectiveness of administrative cooperation in accordance with these regulations and in accordance with the EU Administrative Cooperation Directive, including in combating tax evasion and tax avoidance, shall be monitored and assessed by the competent authority of Malta in relation to itself and it shall communicate the results of its assessment to the EU Commission once a year.

Administrative penalties for failure to comply.

54. (1) Where a Reporting Malta Crypto-Asset Service Provider fails to comply with any of the obligations established in the EU Administrative Cooperation Directive, the Reporting Malta Crypto-Asset Service Provider shall be liable:

(a) where a Reporting Malta Crypto-Asset Service Provider fails to register with the Commissioner in accordance with regulation 13(13)(e) and in such manner and within the period of time that the Commissioner requires, to an administrative penalty of five hundred euro (€500);

(b) where a Reporting Malta Crypto-Asset Service Provider fails to retain the documentation and information it collected in the course of meeting its due diligence and reporting obligations for a minimum period of five (5) years starting from the end of the year in which the information relates, to an administrative penalty of two thousand five hundred euro (€2,500);

(c) where a Reporting Malta Crypto-Asset Service Provider fails to report the information required to be reported in accordance with Section II of Annex VI within the time stipulated in Section III, to an administrative penalty of:

(i) two thousand five hundred euro (€2,500); and

(ii) one hundred euro (€100) for every day during which the default subsists, which administrative penalty and daily penalty shall not exceed in total twenty thousand euro (€20,000);

(d) where a Reporting Malta Crypto-Asset Service Provider fails to report the information required to be reported in accordance with Section II of Annex VI in a complete and accurate manner, to an administrative penalty of:

(i) in the case of minor errors:

- two hundred euro (€200); and

- fifty euro (€50) for every day during which the default subsists, which administrative penalty and daily penalty shall not exceed in total five thousand euro (€5,000);

(ii) in the case of significant non-compliance, an administrative penalty of up to a maximum of fifty thousand euro (€50,000);

(e) where a Reporting Malta Crypto-Asset Service Provider fails to apply the due diligence procedures specified in Section III of Annex VI, to an administrative penalty of five thousand euro (€5,000).

(2) Without prejudice to any administrative penalties incurred in accordance with sub-regulation (1), when a Reporting Malta Crypto-Asset Service Provider is found to have submitted information that is misleading or false, every senior managing official of such Reporting Malta Crypto-Asset Service Provider shall be liable to an administrative penalty of not less than ten thousand euro (€10,000) and not more than thirty thousand euro (€30,000):

Provided that a senior managing official of the said Reporting Malta Crypto-Asset Service Provider shall not be guilty of such a breach if he proves that he was unaware and could not with reasonable diligence be aware of such act or omission and that he did everything within his power to prevent that act or omission.".

Reporting and communication of the TIN.

55. (1) The TIN of reported individuals or entities issued by the Member State of residence shall be reported by the reporting entity or reporting individual when explicitly required by, and in accordance with the regulations and Annexes.

(2) For taxable periods starting on or after 1 January 2030, the TIN of residents issued by the Member State of residence shall be reported, where possible, with respect to the information referred to in regulation 13(1)(a), (b) and (d).

(3) For taxable periods starting on or after 1 January 2028, the TIN of individuals and entities issued by the Member State of residence shall be reported, where possible, with respect to the information referred to in regulation 13(3)(e)(i) and (xi), as well as of reported individuals and entities with respect to the information referred to in regulation 13(4)(c)(ii) and 13(7)(o). The competent authority in Malta shall include such information in its communication of the information referred to in regulation 13(4)(c)(ii) and 13(7)(o).".

Amends Annex I to the principal regulations.

14. Annex I to the principal regulations shall be amended as follows:

(a) Section I thereof shall be amended as follows:

(i) paragraph A thereof shall be substituted by the following new paragraph:

"A. Subject to paragraphs C to F, each Reporting Malta Financial Institution shall report to the competent authority of Malta with respect to each Reportable Account of such Reporting Malta Financial Institution:

1. the following information:

(a) the name, address, Member States

of residence, TINs and date and place of birth, in the case of an individual, of each Reportable Person that is an Account Holder of the account and whether the Account Holder has provided a valid self-certification;

(b) in the case of any Entity that is an Account Holder and that, after application of the due diligence procedures consistent with Sections V, VI and VII, is identified as having one or more Controlling Persons that is a Reportable Person, the name, address, Member States and, if any, other jurisdictions of residence and TINs of the Entity and the name, address, Member States of residence, TINs and date and place of birth of each Reportable Person, as well as the roles by virtue of which each Reportable Person is a Controlling Person of the Entity and whether a valid self-certification has been provided for each Reportable Person;

(c) whether the account is a joint account, including the number of joint Account Holders;

2. the account number, or functional equivalent in the absence of an account number, the type of account and whether the account is a Pre-existing Account or a New Account;

3. the name and identifying number, if any, of the Reporting Malta Financial Institution;

4. the account balance or value, including, in the case of a Cash Value Insurance Contract or Annuity Contract, the Cash Value or surrender value, as of the end of the relevant calendar year or other appropriate reporting period or, if the account was closed during such year or period, the closure of the account;

5. in the case of any Custodial Account:

(a) the total gross amount of interest, the total gross amount of dividends and the total gross amount of other income generated

with respect to the assets held in the account, in each case paid or credited to the account or with respect to the account during the calendar year or other appropriate reporting period; and

(b) the total gross proceeds from the sale or redemption of Financial Assets paid or credited to the account during the calendar year or other appropriate reporting period with respect to which the Reporting Malta Financial Institution acted as a custodian, broker, nominee, or otherwise as an agent for the Account Holder;

6. in the case of any Depository Account, the total gross amount of interest paid or credited to the account during the calendar year or other appropriate reporting period;

7. in the case of any Equity Interest held in an Investment Entity that is a legal arrangement, the roles by virtue of which the Reportable Person is an Equity Interest holder; and

8. in the case of any account not described in sub-paragraph A(5) (6) or (7), the total gross amount paid or credited to the Account Holder with respect to the account during the calendar year or other appropriate reporting period with respect to which the Reporting Malta Financial Institution is the obligor or debtor, including the aggregate amount of any redemption payments made to the Account Holder during the calendar year or other appropriate reporting period.";

(ii) paragraph C thereof shall be substituted by the following new paragraph:

"C. Notwithstanding sub-paragraph A(1), with respect to each Reportable Account that is a Pre-existing Account, the TINs or date of birth is not required to be reported if such TINs or date of birth is not in the records of the Reporting Malta Financial Institution and is not otherwise required to be collected by such Reporting Malta Financial Institution under domestic law or any Union legal instrument. However, a Reporting Malta Financial

Institution is required to use reasonable efforts to obtain the TINs and date of birth with respect to Pre-existing Accounts by the end of the second calendar year following the year in which Pre-existing Accounts were identified as Reportable Accounts and whenever it is required to update the information relating to the Pre-existing Account in accordance with domestic AML/KYC Procedures.";

(iii) immediately after paragraph E thereof there shall be added the following new paragraph:

"F. Notwithstanding point (b) of sub-paragraph A(5) and unless the Reporting Malta Financial Institution elects otherwise with respect to any clearly identified group of accounts, the gross proceeds from the sale or redemption of Financial Assets are not required to be reported in so far as such gross proceeds from the sale or redemption of such Financial Assets are reported by the Reporting Malta Financial Institution in accordance with regulation 13(13).";

(b) paragraph 2(b) of Section VI thereof shall be substituted by the following new paragraph:

"(b) Determining the Controlling Persons of an Account Holder.

For the purposes of determining the Controlling Persons of an Account Holder, a Reporting Malta Financial Institution may rely on information collected and maintained pursuant to AML/KYC Procedures, provided that such procedures are consistent with the procedures established in the Prevention of Money Laundering and Funding of Terrorism Regulations and any binding procedures and guidance issued by virtue of regulation 17 of the said regulations. If the Reporting Malta Financial Institution is not legally required to apply AML/KYC Procedures that are consistent with those outlined in the Prevention of Money Laundering and Funding of Terrorism Regulations, it shall apply substantially similar procedures for the purpose of determining the Controlling Persons.";

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(c) immediately after paragraph C of Section VII thereof there shall be added the following new paragraph:

"D. Temporary lack of self-certification.

In exceptional circumstances where a self-certification cannot be obtained by a Reporting Malta Financial Institution in respect of a New Account in time to meet its due diligence and reporting obligations with respect to the reporting period during which the account was opened, the Reporting Malta Financial Institution shall apply the due diligence procedures for Pre-existing Accounts, until such self-certification is obtained and validated.";

(d) Section VIII thereof shall be amended as follows:

(i) paragraph A thereof shall be substituted by the following new paragraph:

"A. Reporting Malta Financial Institution

1. The term "Reporting Malta Financial Institution" means any Malta Financial Institution that is not a Non-Reporting Malta Financial Institution.

2. The term "Malta Financial Institution" means:

(i) any Financial Institution that is resident in Malta, but excludes any branch of that Financial Institution that is located outside Malta; and

(ii) any branch of a Financial Institution that is not resident in Malta, if such branch is located in Malta.

3. The term "Participating Jurisdiction Financial Institution" means:

(i) any Financial Institution that is resident in a Participating Jurisdiction, but excludes any branch of that Financial Institution that is located outside such Participating Jurisdiction; and

(ii) any branch of a Financial Institution that is not resident in a Participating Jurisdiction, if such branch is located in such Participating Jurisdiction.

4. The term "Financial Institution" means a Custodial Institution, a Depository Institution, an Investment Entity, or a Specified Insurance Company.

5. The term "Custodial Institution" means any Entity that holds, as a substantial portion of its business, Financial Assets for the account of others. An Entity holds Financial Assets for the account of others as a substantial portion of its business if the Entity's gross income attributable to the holding of Financial Assets and related financial services equals or exceeds twenty percent (20%) of the Entity's gross income during the shorter of:

(i) the three (3) year period that ends on 31 December, or the final day of a non-calendar year accounting period, prior to the year in which the determination is being made; or

(ii) the period during which the Entity has been in existence.

6. The term "Depository Institution" means any Entity which:

(a) accepts deposits in the ordinary course of a banking or similar business; or

(b) holds Electronic Money or Central Bank Digital Currencies for the benefit of customers.

7. The term "Investment Entity" means any Entity:

(a) which primarily conducts as a business one (1) or more of the following activities or operations for, or on behalf of a customer:

(i) trading in money market instruments, including cheques,

bills, certificates of deposit, derivatives; foreign exchange; exchange, interest rate and index instruments; transferable securities; or commodity futures trading;

(ii) individual and collective portfolio management; or

(iii) otherwise investing, administering, or managing Financial Assets, money, or Reportable Crypto-Assets on behalf of other persons; or

(b) the gross income of which is primarily attributable to investing, reinvesting, or trading in Financial Assets or Reportable Crypto-Assets, if the Entity is managed by another Entity that is a Depository Institution, a Custodial Institution, a Specified Insurance Company, or an Investment Entity as described in sub-paragraph A(6)(a).

An Entity is treated as primarily conducting as a business one (1) or more of the activities described in sub-paragraph A(6)(a), or an Entity's gross income is primarily attributable to investing, reinvesting, or trading in Financial Assets or Reportable Crypto-Assets for the purposes of sub-paragraph A(6)(b), if the Entity's gross income attributable to the relevant activities equals or exceeds fifty percent (50%) of the Entity's gross income during the shorter of:

(i) the three (3) year period ending on 31 December of the year preceding the year in which the determination is made; or

(ii) the period during which the Entity has been in existence. For the purposes of sub-paragraph A(6)(a)(iii),

the term "otherwise investing, administering, or managing Financial Assets, money, or Reportable Crypto-Assets on behalf of other persons" does not include the provision of services effectuating Exchange Transactions for or on behalf of customers. The term "Investment Entity" does not include an Entity that is an Active NFE because that Entity meets any of the criteria referred to in sub-paragraph D(8)(d) to (g).

This sub-paragraph shall be interpreted in a manner consistent with similar language established in the definition of "financial institution" in Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation (EU) No 648/2012 of the European Parliament and of the Council, and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC.

8. The term "Financial Asset" includes a security, including a share of stock in a corporation; partnership or beneficial ownership interest in a widely held or publicly traded partnership or trust; note, bond, debenture, or other evidence of indebtedness, partnership interest, commodity, swap, including interest rate swaps, currency swaps, basis swaps, interest rate caps, interest rate floors, commodity swaps, equity swaps, equity index swaps, and similar agreements, Insurance Contract or Annuity Contract, or any interest, including a futures or forward contract or option in a security, Reportable Crypto-Asset, partnership interest, commodity, swap, Insurance Contract, or Annuity Contract. The term "Financial Asset" does not include a

non-debt, direct interest in immovable property.

9. The term "Specified Insurance Company" means any Entity that is an insurance company, or the holding company of an insurance company, which issues, or is obligated to make payments with respect to, a Cash Value Insurance Contract or an Annuity Contract.

10. For the purposes of this Annex, the term "Electronic Money" means any product that is:

(a) a digital representation of a single Fiat Currency;

(b) issued on the receipt of funds for the purpose of making payment transactions;

(c) represented by a claim on the issuer denominated in the same Fiat Currency;

(d) accepted in payment by a natural or legal person other than the issuer; and

(e) by virtue of regulatory requirements to which the issuer is subject, redeemable at any time and at par value for the same Fiat Currency upon request of the holder of the product.

The term "Electronic Money" does not include a product created for the sole purpose of facilitating the transfer of funds from a customer to another person pursuant to instructions of the customer. A product is not created for the sole purpose of facilitating the transfer of funds if, in the ordinary course of business of the transferring Entity, either the funds connected with such product are held longer than sixty (60) days after receipt of instructions to facilitate the transfer or, if no

instructions are received, the funds connected with such product are held longer than sixty (60) days after receipt of the funds.

11. The term "Fiat Currency" means the official currency of a jurisdiction, issued by a jurisdiction or by a jurisdiction's designated Central Bank or monetary authority, as represented by physical banknotes or coins or by money in different digital forms, including bank reserves and Central Bank Digital Currencies. The term also includes commercial bank money and electronic money products (Electronic Money).

12. The term "Central Bank Digital Currency" means any digital Fiat Currency issued by a Central Bank or other monetary authority.

13. The term "Crypto-Asset" shall have the same meaning as assigned to it in Article 3(1), point (5), of Regulation (EU) 2023/1114 of the European Parliament and of the Council of 31 May 2023 on markets in crypto-assets, and amending Regulations (EU) No 1093/2010 and (EU) No 1095/2010 and Directives 2013/36/EU and (EU) 2019/1937.

14. The term "Reportable Crypto-Asset" means any Crypto-Asset other than a Central Bank Digital Currency, Electronic Money, or any Crypto-Asset for which the Reporting Crypto-Asset Service Provider has adequately determined that it cannot be used for payment or investment purposes.

15. The term "Exchange Transaction" means any:

(a) exchange between Reportable Crypto-Assets and Fiat Currencies; and

(b) exchange between one (1) or more forms of Reportable Crypto-Assets.".

(ii) point (a) of sub-paragraph B(1) thereof shall be substituted by the following new point:

"(a) a Governmental Entity, International Organisation or Central Bank, other than:

(i) with respect to a payment that is derived from an obligation held in connection with a commercial financial activity of a type engaged by a Specified Insurance Company, Custodial Institution, or Depository Institution; or

(ii) with respect to the activity of maintaining Central Bank Digital Currencies for Account Holders which are not Financial Institutions, Governmental Entities, International Organisations or Central Banks;";

(iii) paragraph C thereof shall be amended as follows:

- sub-paragraph (2) thereof shall be substituted by the following new sub-paragraph:

"2. The term "Depository Account" includes any commercial, checking, savings, time, or thrift account, or an account that is evidenced by a certificate of deposit, thrift certificate, investment certificate, certificate of indebtedness, or other similar instrument maintained by a Depository Institution. A Depository Account also includes:

(a) an amount held by an insurance company pursuant to a guaranteed investment contract or similar agreement to pay or credit interest therein;

(b) an account or notional account that represents all Electronic Money held for the benefit of a customer; and

(c) an account that holds one (1) or more Central Bank Digital Currencies for the benefit of a customer.";

- sub-paragraph (9) thereof shall be substituted by the following new sub-paragraph:

"9. The term "Pre-existing Account" means:

(a) a Financial Account maintained by a Reporting Financial Institution as of 31 December 2015 or, if the account is treated as a Financial Account solely by virtue of the amendments to Directive (EU) 2023/2226 of 17 October 2023 amending Directive 2011/16/EU made by Council Directive (EU) 2023/2226 as of 31 December 2025;

(b) any Financial Account of an Account Holder, regardless of the date such Financial Account was opened, if:

(i) the Account Holder also holds a Financial Account that is a Pre-existing Account under sub-paragraph C(9)(a) with the Reporting Malta Financial Institution, or with a Related Entity within Malta;

(ii) the Reporting Malta Financial Institution and, as applicable, the Related Entity within Malta, treats both of the aforementioned Financial Accounts, and any other Financial Accounts of the Account Holder that are treated as a Pre-existing Account in accordance with sub-paragraph C(9)(b), as a single Financial Account for the purpose of satisfying the standards of knowledge requirements stipulated in Section VII, paragraph A, and for the purpose of determining the balance or value of any of the Financial Accounts when applying any of the account thresholds;

(iii) with respect to a Financial Account that is subject to AML/KYC Procedures, the Reporting Malta Financial Institution is permitted to satisfy such AML/KYC Procedures for the Financial Account by relying upon the AML/KYC Procedures performed

for the Pre-existing Account described in sub-paragraph C(9)(a); and

(iv) the opening of the Financial Account does not require the provision of new, additional or amended customer information by the Account Holder other than for the purposes of these regulations.";

- sub-paragraph (10) thereof shall be substituted by the following new sub-paragraph:

"10. The term "New Account" means a Financial Account maintained by a Reporting Malta Financial Institution opened on, or after 1 January 2016 or, if the account is treated as a Financial Account solely by virtue of the amendments to Directive (EU) 2023/2226 of 17 October 2023 amending Directive 2011/16/EU on administrative cooperation in the field of taxation, on, or after 1 January 2026.";

- sub-paragraph (17) thereof shall be substituted by the following new sub-paragraph:

"17. The term "Excluded Account" means any of the following accounts:

(a) a retirement or pension account that satisfies the following requirements:

(i) the account is subject to regulation as a personal retirement account or is part of a registered or regulated retirement or pension plan for the provision of retirement or pension benefits, including disability or death benefits;

(ii) the account is tax-favoured, that is, contributions to the account that would otherwise be subject to tax are deductible or excluded from the gross income of the Account Holder or taxed at a reduced rate, or taxation of investment income from the account is

deferred or taxed at a reduced rate;

(iii) information reporting is required to the tax authorities with respect to the account;

(iv) withdrawals are subject to reaching a specified retirement age, disability, or death, or penalties apply to withdrawals made before such specified events; and

(v) either:

- annual contributions are limited to an amount denominated in euro that corresponds to USD $50,000 or less; or

- there is a maximum lifetime contribution limit to the account of an amount denominated in euro that corresponds to USD $1,000,000 or less, in each case applying the rules established in paragraph C of Section VII for account aggregation currency translation.

A Financial Account that otherwise satisfies the requirement of sub-paragraph C(17)(a)(v) shall not fail to satisfy such requirement solely because such Financial Account may receive assets or funds transferred from one (1) or more Financial Accounts that satisfy the requirements of sub-paragraph C(17)(a) or (b) or from one (1) or more retirement or pension funds that meet the requirements of any of sub-paragraphs B(5) to (7);

(b) an account that satisfies the following requirements:

(i) the account is subject to regulation as an investment vehicle for purposes other than for retirement and is regularly traded on an established securities market, or the account is subject to regulation as a savings vehicle

for purposes other than for retirement;

(ii) the account is tax-favoured, that is contributions to the account that would otherwise be subject to tax are deductible or excluded from the gross income of the Account Holder or taxed at a reduced rate, or taxation of investment income from the account is deferred or taxed at a reduced rate;

(iii) withdrawals are subject to satisfying specific criteria related to the purpose of the investment or savings account, including, the provision of educational or medical benefits, or penalties apply to withdrawals made before such criteria are satisfied; and

(iv) annual contributions are limited to an amount denominated in euro that corresponds to USD $50,000 or less, applying the rules established in paragraph C of Section VII for account aggregation and currency translation.

A Financial Account that otherwise satisfies the requirement of sub-paragraph C(17)(b)(iv) shall not fail to satisfy such requirement solely because such Financial Account may receive assets or funds transferred from one (1) or more Financial Accounts that meet the requirements of sub-paragraph C(17)(a) or (b) or from one (1) or more retirement or pension funds that satisfy the requirements of any of sub-paragraphs B(5) to (7);

(c) a life insurance contract with a coverage period that ends before the insured individual attains age ninety (90), provided that the contract satisfies the following requirements:

(i) periodic premiums, which do not decrease over time, are payable at least annually during the period the contract is in force or until the insured attains age ninety (90), whichever period is shorter;

(ii) the contract has no contract value that any person may access, by withdrawal, loan, or otherwise, without terminating the contract;

(iii) the amount, other than a death benefit, payable upon cancellation or termination of the contract cannot exceed the aggregate premiums paid for the contract, less the sum of mortality, morbidity, and expense charges, whether or not actually imposed, for the periods of the contract's existence and any amounts paid prior to the cancellation or termination of the contract; and

(iv) the contract is not held by a transferee for value;

(d) an account that is held solely by an estate if the documentation for such account includes a copy of the deceased's will or death certificate;

(e) an account established in connection with any of the following:

(i) a court order or judgment;

(ii) sale, exchange, or lease of immovable or personal property, provided that the account satisfies the following requirements:

- the account is funded solely with a down payment, earnest money, deposit in an amount appropriate to secure an obligation directly related to the transaction, or a similar payment, or is funded with a Financial Asset that is deposited in the account in connection with the sale, exchange, or lease of the property;

- the account is established and used solely to

secure the obligation of the purchaser to pay the purchase price for the property, the seller to pay any contingent liability, or the lessor or lessee to pay for any damages relating to the leased property as agreed in accordance with the lease contract;

- the assets of the account, including the income earned thereon, shall be paid or otherwise distributed for the benefit of the purchaser, seller, lessor, or lessee, including to satisfy such person's obligation, when the property is sold, exchanged, or surrendered, or the lease terminates;

- the account is not a margin or similar account established in connection with a sale or exchange of a Financial Asset; and

- the account is not associated with an account described in sub-paragraph C(17)(f);

(iii) an obligation of a Financial Institution servicing a loan secured by immovable property to set aside a portion of a payment solely to facilitate the payment of taxes or insurance related to the immovable property at a later time;

(iv) an obligation of a Financial Institution solely to facilitate the payment of taxes at a later time;

(v) a foundation or capital increase of a company provided that the account satisfies the following requirements:

- the account is used

exclusively to deposit capital that is to be used for the purposes of the foundation or capital increase of a company, as prescribed by law;

- any amounts held in the account shall be blocked until the Reporting Financial Institution obtains an independent confirmation regarding the foundation or capital increase;

- the account is closed or transformed into an account in the name of the company after the foundation or capital increase;

- any repayments resulting from a failed foundation or capital increase, net of service provider and similar fees, are made solely to the persons who contributed the amounts; and

- the account has not been established more than twelve (12) months ago;

(e) a Depository Account that represents all Electronic Money held for the benefit of a customer, if the rolling average ninety (90) days end-of-day aggregate account balance or value during any period of ninety (90) consecutive days did not exceed USD $10,000 at any day during the calendar year or other appropriate reporting period;

(f) a Depository Account that satisfies the following requirements:

(i) the account exists solely because a customer makes a payment in excess of a balance due with respect to a credit card or other revolving credit facility and the overpayment is not immediately returned to the customer; and

(ii) beginning on, or before 1 January 2016, the Financial Institution implemented policies and procedures either to prevent a customer from making an overpayment in excess of an amount denominated in euro that corresponds to USD $50,000, or to ensure that any customer overpayment in excess of that amount is refunded to the customer within sixty (60) days, in each case applying the rules established in paragraph C of Section VII for currency translation. For this purpose, a customer overpayment does not refer to credit balances to the extent of disputed charges but does include credit balances resulting from merchandise returns;

(g) a Depository Account that represents all Electronic Money held for the benefit of a customer, if the rolling average ninety (90) days end-of-day aggregate account balance or value during any period of ninety (90) consecutive days did not exceed USD $10,000 at any day during the calendar year or other appropriate reporting period;

(h) any other account that presents a low risk of being used to evade tax, has substantially similar characteristics to any of the accounts described in sub-paragraphs C(17)(a) to (f), and is included in the list of Excluded Accounts referred to in Article 8(7a) of the EU Administrative Cooperation Directive, provided that the status of such account as an Excluded Account does not frustrate the purposes of the said Directive.";

(iv) sub-paragraph D(2) thereof shall be substituted by the following new sub-paragraph:

"2. The term "Reportable Person" means a Member State Person other than:

(a) an Entity the stock of which is regularly traded on one (1) or more established securities markets;

(b) any Entity that is a Related Entity of an

Entity described in point (a);

(c) a Governmental Entity;

(d) an International Organisation;

(e) a Central Bank; or

(f) a Financial Institution.";

(v) paragraph E thereof shall be amended as follows:

- in the Maltese version only the words "It-terminu "TIN"" shall be substituted by the words "It-terminu "NIT"";

- immediately after sub-paragraph (6) thereof there shall be added the following new sub-paragraph:

"7. The term "Identification Service" means an electronic process made available free of charge by a Member State or the Union to a Reporting Malta Financial Institution for the purpose of ascertaining the identity and tax residence of an Account Holder or Controlling Person.";

(e) sub-paragraph (2) of Section IX thereof shall be substituted by the following new sub-paragraph:

"(2) rules requiring Reporting Malta Financial Institutions to keep records of the steps undertaken and any evidence relied upon for the performance of the above indicated procedures and adequate measures to obtain those records, provided that such records shall be retained for not longer than is necessary to achieve the purposes of these regulations but in any event not less than five (5) years.";

(f) immediately after Section IX thereof there shall be added the following new Section:

"SECTION X
TRANSITIONAL MEASURES

Notwithstanding sub-paragraphs A(1)(b) and (6a) of Section I, with respect to each Reportable Account that is maintained by a

Reporting Malta Financial Institution as of 31 December 2025 and for reporting periods ending by the second calendar year following such date, information with respect to the roles by virtue of which each Reportable Person is a Controlling Person or Equity Interest holder of the Entity is only required to be reported if such information is available in the electronically searchable data maintained by the Reporting Malta Financial Institution.".

15. Annex V to the principal regulations shall be amended as follows:

Amends Annex V to the principal regulations.

(a) Section I thereof shall be amended as follows:

(i) sub-paragraph A(8) thereof shall be substituted by the following new sub-paragraph:

"8. Effective Qualifying Competent Authority Agreement" means an agreement between the competent authority in Malta and a non-Union jurisdiction that requires the automatic exchange of information equivalent to that specified in paragraph B of Section III as confirmed by an implementing act of the EU Administrative Cooperation Directive and in relation to which such non-Union jurisdiction is identified in the list published by the Commissioner on the website of the Commissioner for Tax and Customs under the provisions of article 96(2) of the Income Tax Act.";

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(ii) immediately after paragraph C(9) thereof there shall be added the following new sub-paragraph:

"10. "Identification Service" means an electronic process made available free of charge by a Member State or the Union to a Reporting Malta Platform Operator for the purpose of ascertaining the identity and tax residence of a Seller.";

(b) sub-paragraph B(3) of Section II thereof shall be deleted;

(c) Section III thereof shall be amended as follows:

(i) sub-paragraph A(4) thereof shall be substituted by the following new sub-paragraph:

"4. Notwithstanding the provisions of paragraph A(3), a Reporting Malta Platform Operator shall not be required to provide the information established in

paragraph B with respect to Qualified Relevant Activities, covered by an Effective Qualifying Competent Authority Agreement, which already provides for the automatic exchange of equivalent information with Malta on Reportable Sellers resident in Malta.";

(ii) immediately after paragraph B(4) thereof there shall be added the following new paragraph:

"5. Notwithstanding the provisions of sub-paragraph B(2)(a), and sub-paragraph B(3)(a), the Reporting Malta Platform Operator shall not be required to report the information items required to be collected in accordance with paragraph B of Section II, when it reports to a competent authority that uses an Identification Service and relies on direct confirmation of the identity and residence of the Seller through an Identification Service made available by a Member State or the Union to ascertain the identity and all tax residencies of the Seller. In case the Reporting Malta Platform Operator relied on an Identification Service to ascertain the identity and all tax residencies of a Reportable Seller, the name, Identification Service identifiers and the Member States of issuance shall be reported.".

Adds a new Annex to the principal regulations.

16. Immediately after Annex V to the principal regulations there shall be added the following new Annex:

"ANNEX VI

REPORTING REQUIREMENTS, DUE DILIGENCE PROCEDURES AND OTHER RULES APPLICABLE TO REPORTING CRYPTO-ASSET SERVICE PROVIDERS

This Annex establishes the reporting requirements, due diligence procedures and other rules which shall be applied by the Reporting Malta Crypto-Asset Service Providers in order to enable Malta to communicate, by automatic exchange, the information referred to in Article 8ad of the EU Administrative Cooperation Directive. This Annex also establishes the rules and administrative procedures that Malta has in place in order to ensure the effective implementation of, and compliance with the reporting requirements and the due diligence procedures set out therein.

SECTION I
OBLIGATIONS OF REPORTING CRYPTO-ASSET SERVICE PROVIDERS

A. A Reporting Malta Crypto-Asset Service Provider as defined in sub-paragraph B(3) of Section IV, is subject to the reporting and due diligence requirements established in Sections II and III, respectively, in Malta, if:

1. it is an Entity authorised by the Malta Financial Services Authority as the competent authority in accordance with Article 63 of Regulation (EU) 2023/1114 or allowed to provide Crypto-Asset Services following a notification to a Member State in accordance with Article 60 of the said Regulation; or

2. not an Entity authorised by the Malta Financial Services Authority as the competent authority in accordance with Article 63 of Regulation (EU) 2023/1114 or allowed to provide Crypto-Asset Services following a notification to the Malta Financial Services Authority as competent authority in accordance with Article 60 of the said Regulation and it is:

(a) an Entity or individual resident for tax purposes in Malta;

(b) an Entity that:

(i) is incorporated or organised under the laws of Malta; and

(ii) has legal personality in Malta or has an obligation to file tax returns or tax information returns in Malta with respect to the income of the Entity;

(c) an Entity managed from Malta; or

(d) an Entity or individual that has a regular place of business in a Malta.

B. A Reporting Malta Crypto-Asset Service Provider shall be subject to the reporting and due diligence requirements established in Sections II and III, respectively, in Malta with respect to Reportable Transactions effectuated through a Branch based in Malta.

C. A Reporting Malta Crypto-Asset Service Provider that is an Entity is not required to complete the reporting and due diligence requirements established in Sections II and III, respectively, in Malta if it falls within scope of sub-paragraph A(2)(b), (c) or (d), if those requirements are completed by such Reporting Malta Crypto-Asset Service Provider in any other Member State or in a Qualified Non-

Union Jurisdiction by virtue of it being resident for tax purposes in such Member State or Qualified Non-Union Jurisdiction.

D. A Reporting Malta Crypto-Asset Service Provider that is an Entity is not required to complete the reporting and due diligence requirements established in Sections II and III, respectively, in Malta if it falls within the scope of sub-paragraph A(2)(c) or (d), if those requirements are completed by such Reporting Malta Crypto-Asset Service Provider in any other Member State or in a Qualified Non-Union Jurisdiction by virtue of it being an Entity that:

(a) is incorporated or organised under the laws of such Member State or Qualified Non-Union Jurisdiction; and

(b) has legal personality in the other Member State or Qualified Non-Union Jurisdiction or has an obligation to file tax returns or tax information returns to the tax authorities in the other Member State or Qualified Non-Union Jurisdiction with respect to the income of the Entity.

E. A Reporting Malta Crypto-Asset Service Provider that is an Entity is not required to complete the reporting and due diligence requirements established in Sections II and III, respectively, in Malta if it falls within scope of sub-paragraph A(2)(d), if those requirements are completed by such Reporting Crypto-Asset Service Provider in any other Member State or in a Qualified Non-Union Jurisdiction by virtue of it being managed from such Member State or Qualified Non-Union Jurisdiction.

F. A Reporting Crypto-Asset Service Provider that is an individual is not required to complete the reporting and due diligence requirements established in Sections II and III, respectively, in Malta if it falls within scope of sub-paragraph A(2)(d), if those requirements are completed by such Reporting Crypto-Asset Service Provider in any other Member State or in a Qualified Non-Union Jurisdiction by virtue of it being resident for tax purposes in such Member State or Qualified Non-Union Jurisdiction.

G. A Reporting Crypto-Asset Service Provider is not required to complete the reporting and due diligence requirements established in Sections II and III, respectively, in Malta if it falls within the scope of sub-paragraph A(2)(a), (b), (c) or (d), if it has filed a notification with the Commissioner for Tax and Customs in such form as the Commissioner may determine, confirming that those requirements are completed by such Reporting Crypto-Asset Service Provider under the rules of any other Member State or Qualified Non-Union Jurisdiction pursuant to criteria that are substantially similar to sub-

paragraph A(2)(a), (b), (c) or (d), respectively.

H. A Reporting Crypto-Asset Service Provider is not required to complete the reporting and due diligence requirements established in Sections II and III, respectively, in Malta with respect to Reportable Transactions it effectuates through a Branch in any other Member State or Qualified Non-Union Jurisdiction, if those requirements are completed by such Branch in such other Member State or Qualified Non-Union Jurisdiction.

SECTION II
REPORTING REQUIREMENTS

A. A Reporting Malta Crypto-Asset Service Provider within the meaning of Section I, paragraphs A and B, shall report the information mentioned in paragraph B of this Section to the competent authority of Malta, where it is subject to reporting requirements in accordance with Section I.

B. For each relevant calendar year or other appropriate reporting period, and subject to the obligations of Reporting Malta Crypto-Asset Service Providers established in Section I and the due diligence procedures established in Section III, a Reporting Crypto-Asset Service Provider shall report the following information with respect to its Crypto-Asset Users that are Reportable Users or that have Controlling Persons that are Reportable Persons:

1. the name, address, Member States of residence, TINs and, in the case of an individual, date and place of birth of each Reportable User and, in the case of any Entity that, after application of the due diligence procedures established in Section III, is identified as having one (1) or more Controlling Persons that is a Reportable Person, the name, address, Member States of residence and TINs of the Entity and the name, address, Member States of residence, TINs and date and place of birth of each Controlling Person of the Entity that is a Reportable Person, as well as the roles by virtue of which each such Reportable Person is a Controlling Person of the Entity;

Notwithstanding sub-paragraph B(1), first sub-paragraph, where the Reporting Malta Crypto-Asset Service Provider reports to a competent authority that uses an Identification Service and relies on direct confirmation of the identity and residence of the Reportable Person through an Identification Service made available by a Member State or the Union to ascertain the identity and all tax residencies of the Reportable Person, the information to be reported regarding the Reportable

Person is the name, the Identification Service identifiers and the Member States of issuance, as well as the roles by virtue of which each Reportable Person is a Controlling Person of the Entity;

2. the name, address, TIN and, if available, the individual identification number referred to in regulation 13(13)(e) and the global legal entity identifier of the Reporting Crypto-Asset Service Provider;

3. for each type of Reportable Crypto-Asset with respect to which the Reporting Malta Crypto-Asset Service Provider has effectuated Reportable Transactions during the relevant calendar year or other appropriate reporting period, where relevant:

(a) the full name of the type of Reportable Crypto-Asset;

(b) the aggregate gross amount paid, the aggregate number of units and the number of Reportable Transactions in respect of acquisitions against Fiat Currency;

(c) the aggregate gross amount received, the aggregate number of units and the number of Reportable Transactions in respect of disposals against Fiat Currency;

(d) the aggregate fair market value, the aggregate number of units and the number of Reportable Transactions in respect of acquisitions against other Reportable Crypto-Assets;

(e) the aggregate fair market value, the aggregate number of units and the number of Reportable Transactions in respect of disposals against other Reportable Crypto-Assets;

(f) the aggregate fair market value, the aggregate number of units and the number of Reportable Retail Payment Transactions;

(g) the aggregate fair market value, the aggregate number of units and the number of Reportable Transactions, and subdivided by transfer type where known by the Reporting Malta Crypto-Asset Service Provider, in respect of Transfers to the Reportable User not

covered by points (b) and (d);

(h) the aggregate fair market value, the aggregate number of units and the number of Reportable Transactions, and subdivided by transfer type where known by the Reporting Malta Crypto-Asset Service Provider, in respect of Transfers by the Reportable User not covered by points (c), (e) and (f); and

(i) the aggregate fair market value, as well as the aggregate number of units of Transfers effectuated by the Reporting Malta Crypto-Asset Service Provider to distributed ledger addresses referred to in Regulation (EU) 2023/1114 not known to be associated with a virtual asset service provider or financial institution.

For the purposes of sub-paragraph B(3), points (b) and (c), the amount paid or received shall be reported in the Fiat Currency in which it was paid or received. In case the amounts were paid or received in multiple Fiat Currencies, the amounts shall be reported in a single currency, converted at the time of each Reportable Transaction in a manner that is consistently applied by the Reporting Malta Crypto-Asset Service Provider.

For the purposes of sub-paragraph B(3), points (d) to (i), the fair market value shall be determined and reported in a single currency, valued at the time of each Reportable Transaction in a manner that is consistently applied by the Reporting Malta Crypto-Asset Service Provider.

The information reported shall identify the Fiat Currency in which each amount is reported.

C. Notwithstanding sub-paragraph B(1), the place of birth is not required to be reported unless the Reporting Malta Crypto-Asset Service Provider is otherwise required to obtain and report it under domestic law.

D. The information listed in paragraph B shall be reported annually in the calendar year following the year to which the information relates. The first information shall be reported for the relevant calendar year or other appropriate reporting period as from 1 January 2026.

E. Notwithstanding paragraphs A and D of this Section, a Reporting Malta Crypto-Asset Service Provider within the meaning of Section I, sub-paragraph A(2), point (a),

(b), (c) or (d), shall not be required to provide the information listed in paragraph B of this Section with respect to a Reportable User or Controlling Person for which the Reporting Malta Crypto-Asset Service Provider completes the reporting of such information in a non-Union jurisdiction that is covered by an Effective Qualifying Competent Authority Agreement with the Member State of residence of such Reportable User or such Controlling Person.

SECTION III
DUE DILIGENCE PROCEDURES

A Crypto-Asset User is treated as a Reportable User beginning as of the date when it is identified as such in accordance with the due diligence procedures described in this Section.

A. Due diligence procedures for Individual Crypto-Asset Users

The following procedures apply for the purpose of determining whether the Individual Crypto-Asset User is a Reportable User.

1. When establishing the relationship with the Individual Crypto-Asset User, or with respect to Pre-existing Individual Crypto-Asset Users by 1 January 2027, the Reporting Malta Crypto-Asset Service Provider shall obtain a self-certification that allows the Reporting Malta Crypto-Asset Service Provider to determine the Individual Crypto-Asset User's residences for tax purposes and confirm the reasonableness of such self-certification based on the information obtained by the Reporting Malta Crypto-Asset Service Provider, including any documentation collected in accordance with Customer Due Diligence Procedures.

2. If at any point there is a change of circumstances with respect to an Individual Crypto-Asset User that causes the Reporting Malta Crypto-Asset Service Provider to know, or have reason to know, that the original self-certification is incorrect or unreliable, the Reporting Malta Crypto-Asset Service Provider cannot rely on the original self-certification and shall obtain a valid self-certification, or a reasonable explanation and, where appropriate, documentation supporting the validity of the original self-certification.

B. Due diligence procedures for Entity Crypto-Asset Users

The following procedures apply for the purpose of determining whether the Entity Crypto-Asset User is a Reportable User or an Entity, other than an Excluded Person or an Active Entity, with one

(1) or more Controlling Persons who are Reportable Persons.

1. Determining whether the Entity Crypto-Asset User is a Reportable Person.

(a) When establishing the relationship with the Entity Crypto-Asset User, or with respect to Pre-existing Entity Crypto-Assets Users by 1 January 2027, the Reporting Malta Crypto-Asset Service Provider shall obtain a self-certification that allows the Reporting Malta Crypto-Asset Service Provider to determine the Entity Crypto-Asset User's residences for tax purposes and confirm the reasonableness of such self-certification based on the information obtained by the Reporting Malta Crypto-Asset Service Provider, including any documentation collected in accordance with Customer Due Diligence Procedures. If the Entity Crypto-Asset User certifies that it has no residence for tax purposes, the Reporting Malta Crypto-Asset Service Provider may rely on the place of effective management or the address of the principal office to determine the residence of the Entity Crypto-Asset User.

(b) If the self-certification indicates that the Entity Crypto-Asset User is resident in a Member State, the Reporting Malta Crypto-Asset Service Provider shall treat the Entity Crypto-Asset User as a Reportable User, unless it reasonably determines based on the self-certification or on information in its possession or that is publicly available, that the Entity Crypto-Asset User is an Excluded Person.

2. Determining whether the Entity has one (1) or more Controlling Persons who are Reportable Persons. With respect to an Entity Crypto-Asset User, other than an Excluded Person, the Reporting Malta Crypto-Asset Service Provider shall determine whether it has one (1) or more Controlling Persons who are Reportable Persons, unless it determines that the Entity Crypto-Asset User is an Active Entity, based on a self-certification from the Entity Crypto-Asset User.

(a) Determining the Controlling Persons of the Entity Crypto-Asset User. For the purpose of determining the Controlling Persons of the Entity Crypto-Asset User, a Reporting Crypto-Asset Service Provider may rely on information collected and maintained in accordance with the Customer Due Diligence Procedures, provided that such procedures are consistent with Directive (EU) 2015/849. If the Reporting Malta Crypto-Asset Service Provider is not legally required to apply Customer Due Diligence Procedures that are

consistent with Directive (EU) 2015/849, it shall apply substantially similar procedures for the purpose of determining the Controlling Persons.

(b) Determining whether a Controlling Person of an Entity Crypto-Asset User is a Reportable Person. For the purpose of determining whether a Controlling Person is a Reportable Person, a Reporting Malta Crypto-Asset Service Provider shall rely on a self-certification from the Entity Crypto-Asset User or such Controlling Person that allows the Reporting Malta Crypto-Asset Service Provider to determine the Controlling Person's residences for tax purposes and confirm the reasonableness of such self-certification based on the information obtained by the Reporting Crypto-Asset Service Provider, including any documentation collected pursuant to Customer Due Diligence Procedures.

3. If at any point there is a change of circumstances with respect to an Entity Crypto-Asset User or its Controlling Persons that causes the Reporting Malta Crypto-Asset Service Provider to know, or have reason to know, that the original self-certification is incorrect or unreliable, the Reporting Malta Crypto-Asset Service Provider cannot rely on the original self-certification and shall obtain a valid self-certification, or a reasonable explanation and, where appropriate, documentation supporting the validity of the original self-certification.

C. Requirements for validity of self-certifications

1. A self-certification provided by an Individual Crypto-Asset User or Controlling Person is valid only if it is signed or otherwise positively affirmed by the Individual Crypto-Asset User or Controlling Person, it is dated at the latest at the date of receipt and it contains the following information with respect to the Individual Crypto-Asset User or Controlling Person:

(a) first and last name;

(b) residence address;

(c) Member States of residence for tax purposes;

(d) with respect to each Reportable Person, the TIN with respect to each Member State;

(e) date of birth.

2. A self-certification provided by an Entity Crypto-Asset

User is valid only if it is signed or otherwise positively affirmed by the Entity Crypto-Asset User, it is dated at the latest at the date of receipt and it contains the following information with respect to the Entity Crypto-Asset User:

(a) legal name;

(b) address;

(c) Member States of residence for tax purposes;

(d) with respect to each Reportable Person, the TIN with respect to each Member State;

(e) in the case of an Entity Crypto-Asset User other than an Active Entity or an Excluded Person, the information described in sub-paragraph C(1) with respect to each Controlling Person of the Entity Crypto-Asset User, unless such Controlling Person has provided a self-certification in accordance with sub-paragraph C(1), as well as the roles by virtue of which each Reportable Person is a Controlling Person of the Entity, if not already determined on the basis of Customer Due Diligence Procedures;

(f) if applicable, information as to the criteria it meets to be treated as an Active Entity or Excluded Person.

D. General due diligence requirements

1. A Reporting Malta Crypto-Asset Service Provider that is also a Financial Institution for the purposes of these regulations may rely on the due diligence procedures completed in accordance with Sections IV and VI of Annex I for the purposes of the due diligence procedures pursuant to this Section. A Reporting Malta Crypto-Asset Service Provider may also rely on a self-certification already collected for other tax purposes, provided such self-certification meets the requirements of paragraph C of this Section.

2. A Reporting Malta Crypto-Asset Service Provider may rely on a third party to fulfil the due diligence obligations set out in this Section, but such obligations remain the responsibility of the Reporting Malta Crypto-Asset Service Provider.

SECTION IV
DEFINED TERMS

The following terms have the meaning established below:

A. Reportable Crypto-Asset

1. "Crypto-Asset" means crypto-asset as defined in Article 3(1), point (5), of Regulation (EU) 2023/1114.

2. "Central Bank Digital Currency" means any digital Fiat Currency issued by a Central Bank or other monetary authority.

3. "Central Bank" means an institution that is by law or government sanction the principal authority, other than the government of the jurisdiction itself, issuing instruments intended to circulate as currency. Such an institution may include an instrumentality that is separate from the government of the jurisdiction, whether or not totally or partially owned by the jurisdiction.

4. "Reportable Crypto-Asset" means any Crypto-Asset other than a Central Bank Digital Currency, Electronic Money, or any Crypto-Asset for which the Reporting Crypto-Asset Service Provider has adequately determined that it cannot be used for payment or investment purposes.

5. For the purposes of this Annex, "Electronic Money" means any Crypto-Asset that is:

(a) a digital representation of a single Fiat Currency;

(b) issued on the receipt of funds for the purpose of making payment transactions;

(c) represented by a claim on the issuer denominated in the same Fiat Currency;

(d) accepted in payment by a natural or legal person other than the issuer; and

(e) by virtue of regulatory requirements to which the issuer is subject, redeemable at any time and at par value for the same Fiat Currency upon request of the holder of the product.

The term "Electronic money" does not include a product created for the sole purpose of facilitating the transfer of funds from a customer to another person pursuant to instructions of the customer. A product is not created for the sole purpose of facilitating the transfer of funds if, in the ordinary course of

business of the transferring Entity, either the funds connected with such product are held longer than sixty (60) days after receipt of instructions to facilitate the transfer or, if no instructions are received, the funds connected with such product are held longer than sixty (60) days after receipt of the funds.

B. Reporting Crypto-Asset Service Provider

1. "Crypto-Asset Service Provider" means crypto-asset service provider as defined in Article 3(1), point (15), of Regulation (EU) 2023/1114.

2. "Crypto-Asset Operator" means a provider of Crypto-Asset Services other than a Crypto-Asset Service Provider.

3. "Reporting Crypto-Asset Service Provider" means any Crypto-Asset Service Provider and any Crypto-Asset Operator that conducts one (1) or more Crypto-Asset Services effectuating Exchange Transactions for, or on behalf of a Reportable User.

4. "Crypto-Asset Service" means crypto-asset service as defined in Article 3(1), point (16), of Regulation (EU) 2023/1114, including staking and lending.

C. Reportable Transaction

1. "Reportable Transaction" means any:

(a) Exchange Transaction; and

(b) Transfer of Reportable Crypto-Assets.

2. "Exchange Transaction" means any:

(a) exchange between Reportable Crypto-Assets and Fiat Currencies; and

(b) exchange between one (1) or more forms of Reportable Crypto-Assets.

3. "Reportable Retail Payment Transaction" means a Transfer of Reportable Crypto-Assets in consideration of goods or services for a value exceeding $USD 50,000 or the equivalent amount in any other currency.

4. "Transfer" means a transaction that moves a

Reportable Crypto-Asset from, or to the Crypto-Asset address or account of one (1) Crypto-Asset User, other than one maintained by the Reporting Crypto-Asset Service Provider on behalf of the same Crypto-Asset User where, based on the knowledge available to the Reporting Crypto-Asset Service Provider at the time of transaction, the Reporting Crypto-Asset Service Provider cannot determine that the transaction is an Exchange Transaction.

5. "Fiat Currency" means the official currency of a jurisdiction, issued by a jurisdiction or by a jurisdiction's designated Central Bank or monetary authority, as represented by physical banknotes or coins or by money in different digital forms, including bank reserves and Central Bank Digital Currencies. The term also includes commercial bank money and electronic money products (Electronic Money).

D. Reportable User

1. "Reportable User" means a Crypto-Asset User that is a Reportable Person resident in a Member State.

2. "Crypto-Asset User" means an individual or Entity that is a customer of a Reporting Crypto-Asset Service Provider for the purpose of carrying out Reportable Transactions. An individual or Entity, other than a Financial Institution or a Reporting Crypto-Asset Service Provider, acting as a Crypto-Asset User for the benefit or account of another individual or Entity as agent, custodian, nominee, signatory, investment advisor, or intermediary, is not treated as a Crypto-Asset User, and such other individual or Entity is treated as the Crypto-Asset User. Where a Reporting Crypto-Asset Service Provider provides a service effectuating Reportable Retail Payment Transactions for, or on behalf of a merchant, the Reporting Crypto-Asset Service Provider shall also treat the customer that is the counterparty to the merchant for such Reportable Retail Payment Transactions as the Crypto-Asset User with respect to such Reportable Retail Payment Transaction, provided that the Reporting Crypto-Asset Service Provider is required to verify the identity of such customer by virtue of the Reportable Retail Payment Transaction in accordance with domestic anti-money laundering rules.

3. "Individual Crypto-Asset User" means a Crypto-Asset User that is an individual.

4. "Pre-existing Individual Crypto-Asset User" means

an Individual Crypto-Asset User that has established a relationship with the Reporting Crypto-Asset Service Provider as of 31 December 2025.

5. "Entity Crypto-Asset User" means a Crypto-Asset User that is an Entity.

6. "Pre-existing Entity Crypto-Asset User" means an Entity Crypto-Asset User that has established a relationship with the Reporting Crypto-Asset Service Provider as of 31 December 2025.

7. "Reportable Person" means a Member State Person other than an Excluded Person.

8. "Member State Person" with regard to Malta means an Entity or individual that is resident in any other Member State under the tax laws of such Member State, or an estate of a deceased person who was a resident of any Member State. For that purpose, an Entity such as a partnership, limited liability partnership or similar legal arrangement that has no residence for tax purposes shall be treated as resident in the jurisdiction in which its place of effective management is situated.

9. "Controlling Persons" means the natural persons who exercise control over an Entity. In the case of a trust, such term means the settlors, the trustees, the protectors, if any, the beneficiaries or classes of beneficiaries, and any other natural persons exercising ultimate effective control over the trust, and in the case of a legal arrangement other than a trust, such term means persons in equivalent or similar positions. The term "Controlling Persons" must be interpreted in a manner consistent with the definition of "Beneficial Owner" contained in regulation 2 as well as that contained in regulation 2 of the Prevention of Money Laundering and Funding of Terrorism Regulations, and the level of control shall also be determined in line with such definitions, as far as Reporting Crypto-Asset Service Providers are concerned. S.L. 373.01.

10. "Active Entity" means any Entity that meets any of the following criteria:

(a) less than fifty per cent (50%) of the Entity's gross income for the preceding calendar year or other appropriate reporting period is passive income and less than fifty per cent (50%) of the assets held by the Entity during the preceding calendar year or other appropriate

reporting period are assets that produce or are held for the production of passive income;

(b) substantially all of the activities of the Entity consist of holding, in whole or in part, the outstanding stock of, or providing financing and services to, one (1) or more subsidiaries that engage in trades or businesses other than the business of a Financial Institution, except that an Entity does not qualify for this status if the Entity functions, or holds itself out, as an investment fund, such as a private equity fund, venture capital fund, leveraged buyout fund, or any investment vehicle whose purpose is to acquire or fund companies and then hold interests in those companies as capital assets for investment purposes;

(c) the Entity is not yet operating a business and has no prior operating history, but is investing capital into assets with the intent to operate a business other than that of a Financial Institution, provided that the Entity does not qualify for this exception after the date that is twenty-four (24) months after the date of the initial organisation of the Entity;

(d) the Entity was not a Financial Institution in the past five (5) years and is in the process of liquidating its assets or is reorganising with the intent to continue or recommence operations in a business other than that of a Financial Institution;

(e) the Entity primarily engages in financing and hedging transactions with, or for Related Entities that are not Financial Institutions, and does not provide financing or hedging services to any Entity that is not a Related Entity, provided that the group of any such Related Entities is primarily engaged in a business other than that of a Financial Institution; or

(f) the Entity meets all of the following requirements:

(i) it is established and operated in its jurisdiction of residence exclusively for religious, charitable, scientific, artistic, cultural, athletic, or educational purposes; or it is established and operated in its jurisdiction of residence, and it is a professional organisation, business league, chamber of commerce, labour organisation,

agricultural or horticultural organisation, civic league or an organisation operated exclusively for the promotion of social welfare;

(ii) it is exempt from income tax in its jurisdiction of residence;

(iii) it has no shareholders or members who have a proprietary or beneficial interest in its income or assets;

(iv) the applicable laws of the Entity's jurisdiction of residence or the Entity's formation documents do not permit any income or assets of the Entity to be distributed to, or applied for the benefit of, a private person or non-charitable Entity other than pursuant to the conduct of the Entity's charitable activities, or as payment of reasonable compensation for services rendered, or as payment representing the fair market value of property which the Entity has purchased; and

(v) the applicable laws of the Entity's jurisdiction of residence or the Entity's formation documents require that, upon the Entity's liquidation or dissolution, all of its assets be distributed to a Governmental Entity or other non-profit organisation, or transferred to the government of the Entity's jurisdiction of residence or any political subdivision thereof.

E. Excluded Person

1. "Excluded Person" means:

(a) an Entity the stock of which is regularly traded on one (1) or more established securities markets;

(b) any Entity that is a Related Entity of an Entity described in point (a);

(c) a Governmental Entity;

(d) an International Organisation;

(e) a Central Bank; or

(f) a Financial Institution other than an Investment

Entity described in sub-paragraph E(5), point (b).

2. "Financial Institution" means a Custodial Institution, a Depository Institution, an Investment Entity, or a Specified Insurance Company.

3. "Custodial Institution" means any Entity that holds, as a substantial portion of its business, Financial Assets for the account of others. An Entity holds Financial Assets for the account of others as a substantial portion of its business if the Entity's gross income attributable to the holding of Financial Assets and related financial services equals to, or exceeds twenty per cent (20%) of the Entity's gross income during the shorter of:

(i) the three (3) year period that ends on 31st December, or the final day of a non-calendar year accounting period, prior to the year in which the determination is being made; or

(ii) the period during which the Entity has been in existence.

4. "Depository Institution" means any Entity that:

(a) accepts deposits in the ordinary course of a banking or similar business; or

(b) holds Electronic Money or Central Bank Digital Currencies for the benefit of customers.

5. "Investment Entity" means any Entity:

(a) that primarily conducts as a business one (1) or more of the following activities or operations for, or on behalf of a customer:

(i) trading in money market instruments (cheques, bills, certificates of deposit, derivatives, etc.); foreign exchange; exchange, interest rate and index instruments; transferable securities; or commodity futures trading;

(ii) individual and collective portfolio management; or

(iii) otherwise investing, administering, or managing Financial Assets, money, or Reportable Crypto-Assets on behalf of other persons; or

(b) the gross income of which is primarily attributable to investing, reinvesting, or trading in Financial Assets or Reportable Crypto-Assets, if the Entity is managed by another Entity that is a Depository Institution, a Custodial Institution, a Specified Insurance Company, or an Investment Entity described in sub-paragraph E(5), point (a).

An Entity is treated as primarily conducting as a business one (1) or more of the activities described in sub-paragraph E(5), point (a), or an Entity's gross income is primarily attributable to investing, reinvesting, or trading in Financial Assets or Reportable Crypto-Assets for the purposes of sub-paragraph E(5), point (b), if the Entity's gross income attributable to the relevant activities equals to or exceeds fifty per cent (50%) of the Entity's gross income during the shorter of:

(i) the three (3) year period ending on 31st December of the year preceding the year in which the determination is made; or

(ii) the period during which the Entity has been in existence.

For the purposes of sub-paragraph E(5), point (a)(iii), the term "otherwise investing, administering, or managing Financial Assets, money, or Reportable Crypto-Assets on behalf of other persons" does not include the provision of services effectuating Exchange Transactions for or on behalf of customers. The term "Investment Entity" does not include an Entity that is an Active Entity because it meets any of the criteria in sub-paragraph D(10), points (b) to (e).

This sub-paragraph shall be interpreted in a manner consistent with the similar language stipulated in the definition of "financial institution" in Article 3, point (2), of Directive (EU) 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing.

6. "Specified Insurance Company" means any Entity that is an insurance company, or the holding company of an insurance company, that issues, or is obligated to make payments with respect to, a Cash Value Insurance Contract or an Annuity Contract.

7. "Governmental Entity" means the government of a jurisdiction, any political subdivision of a jurisdiction, which for the

avoidance of doubt, includes a state, province, county, or municipality, or any wholly owned agency or instrumentality of a jurisdiction or of any one or more of the foregoing. This category is comprised of the integral parts, controlled entities, and political subdivisions of a jurisdiction.

(a) An "integral part" of a jurisdiction means any person, organisation, agency, bureau, fund, instrumentality, or other body, however designated, that constitutes a governing authority of a jurisdiction. The net earnings of the governing authority shall be credited to its own account or to other accounts of the jurisdiction, with no portion inuring to the benefit of any private person. An integral part does not include any individual who is a sovereign, official, or administrator acting in a private or personal capacity.

(b) A "controlled entity" means an Entity that is separate in form from the jurisdiction or that otherwise constitutes a separate juridical entity, provided that:

(i) the Entity is wholly owned and controlled by one or more Governmental Entities directly or through one (1) or more controlled entities;

(ii) the Entity's net earnings are credited to its own account or to the accounts of one (1) or more Governmental Entities, with no portion of its income inuring to the benefit of any private person; and

(iii) the Entity's assets vest in one (1) or more Governmental Entities upon dissolution.

(c) Income does not inure to the benefit of private persons if such persons are the intended beneficiaries of a governmental programme, and the programme activities are performed for the general public with respect to the common welfare or relate to the administration of some phase of government. Notwithstanding the foregoing however, income is considered to inure to the benefit of private persons if the income is derived from the use of a governmental entity to conduct a commercial business, such as a commercial banking business, that provides financial services to private persons.

8. "International Organisation" means any international organisation or wholly owned agency or instrumentality thereof. This category includes any intergovernmental organisation, including a supranational organisation:

(a) that is comprised primarily of governments;

(b) that has in effect a headquarters or substantially similar agreement with the jurisdiction; and

(c) the income of which does not inure to the benefit of private persons.

9. "Financial Asset" includes a security, for example, a share of stock in a corporation; partnership or beneficial ownership interest in a widely held or publicly traded partnership or trust; note, bond, debenture, or other evidence of indebtedness, partnership interest, commodity, swap, for example, interest rate swaps, currency swaps, basis swaps, interest rate caps, interest rate floors, commodity swaps, equity swaps, equity index swaps, and similar agreements, Insurance Contract or Annuity Contract, or any interest, including a futures or forward contract or option, in a security, Reportable Crypto-Asset, partnership interest, commodity, swap, Insurance Contract, or Annuity Contract. The term "Financial Asset" does not include a non-debt, direct interest in real property.

10. "Equity Interest" means, in the case of a partnership that is a Financial Institution, either a capital or profits interest in the partnership. In the case of a trust that is a Financial Institution, an Equity Interest is considered to be held by any person treated as a settlor or beneficiary of all or a portion of the trust, or any other natural person exercising ultimate effective control over the trust. A Reportable Person shall be treated as being a beneficiary of a trust if such Reportable Person has the right to receive directly or indirectly, for example, through a nominee, a mandatory distribution or may receive, directly or indirectly, a discretionary distribution from the trust.

11. "Insurance Contract" means a contract, other than an Annuity Contract, under which the issuer agrees to pay an amount upon the occurrence of a specified contingency involving mortality, morbidity, accident, liability, or property risk.

12. "Annuity Contract" means a contract under which the issuer agrees to make payments for a period of time totally or paartially determined by reference to the life expectancy of one (1) or more individuals. The term also includes a contract that is considered to be an Annuity Contract in accordance with the laws, regulations , or practices of the Member State or other jurisdiction in which the contract was issued, and under which the issuer agrees to make payments for a term of years.

13. "Cash Value Insurance Contract" means an Insurance Contract, other than an indemnity reinsurance contract between two (2) insurance companies, that has a Cash Value.

14. "Cash Value" means the greater of:

(i) the amount that the policyholder is entitled to receive upon surrender or termination of the contract, determined without reduction for any surrender charge or policy loan; and

(ii) the amount the policyholder can borrow under or with regard to the contract. Notwithstanding the foregoing, the term "Cash Value" does not include an amount payable under an Insurance Contract:

(a) solely by reason of the death of an individual insured under a life insurance contract;

(b) as a personal injury or sickness benefit or other benefit providing indemnification of an economic loss incurred upon the occurrence of the event insured against;

(c) as a refund of a previously paid premium, less cost of insurance charges whether or not actually imposed, under an Insurance Contract, other than an investment-linked life insurance or annuity contract, due to cancellation or termination of the contract, decrease in risk exposure during the effective period of the contract, or arising from the correction of a posting or similar error with regard to the premium for the contract;

(d) as a policyholder dividend, other than a termination dividend, provided that the diidend relates to an Insurance Contract under which the only benefits payable are described in point (b); or

(e) as a return of an advance premium or premium deposit for an Insurance Contract for which the premium is payable at least annually if the amount of the advance premium or premium deposit does not exceed the next annual premium that shall be payable under the contract.

F. Miscellaneous

1. "Customer Due Diligence Procedures" means the customer due diligence procedures of a Reporting Crypto-Asset Service Provider pursuant to Directive (EU) 2015/849 or similar requirements to which such Reporting Crypto- Asset Service Provider is subject.

2. "Entity" means a legal person or a legal arrangement, such as a corporation, partnership, trust, or foundation.

3. An Entity is a "Related Entity" of another Entity if either Entity controls the other Entity, or the two (2) Entities are under common control. For this purpose, control includes direct or indirect ownership of more than 50% of the vote and value in an Entity.

4. "Branch" means a unit, business or office of a Reporting Crypto-Asset Service Provider that is treated as a branch under the regulatory regime of a jurisdiction or that is otherwise regulated under the laws of a jurisdiction as separate from other offices, units, or branches of the Reporting Crypto-Asset Service Provider. All units, businesses, or offices of a Reporting Crypto-Asset Service Provider in a single jurisdiction shall be treated as a single branch.

5. "Effective Qualifying Competent Authority Agreement" means an agreement between the competent authorities of a Member State and a non-Union jurisdiction that requires the automatic exchange of information corresponding to that specified in Section II, paragraph B, of this Annex, as determined by an implementing act in accordance with Article 8ad(11) of the EU Administrative Cooperation Directive.

6. "Qualified Non-Union Jurisdiction" means a non-Union jurisdiction that has in effect an Effective Qualifying Competent Authority Agreement with the competent authorities of all Member States which are identified as reportable jurisdictions in a list published by the non-Union jurisdiction.

7. "TIN" means Taxpayer Identification Number, or functional equivalent in the absence of a Taxpayer Identification Number. The TIN is any number or code that a competent authority uses to identify a taxpayer.

8. "Identification Service" means an electronic process made available free of charge by Malta or the Union to a Reporting Crypto-Asset Service Provider for the purpose of ascertaining the identity and tax residence of a Crypto-Asset User.

SECTION V
EFFECTIVE IMPLEMENTATION

A. Rules to enforce the collection and verification requirements established in Section III

1. Reporting Malta Crypto-Asset Service Providers

shall enforce the collection and verification requirements in accordance with Section III in relation to their Crypto-Asset Users.

2. Where a Crypto-Asset User does not provide the information required under Section III after two (2) reminders following the initial request by the Reporting Malta Crypto-Asset Service Provider, but not prior to the expiration of sixty (60) days, the Reporting Malta Crypto-Asset Service Provider shall prevent the Crypto-Asset User from performing Reportable Transactions.

B. Rules requiring Reporting Malta Crypto-Asset Service Providers to keep records of the steps undertaken and any information relied upon for the performance of the reporting requirements and due diligence procedures and adequate measures to obtain those records.

1. Reporting Malta Crypto-Asset Service Providers shall keep records of the steps undertaken and any information relied upon for the performance of the reporting requirements and due diligence procedures stipulated in Sections II and III, respectively. Such records shall remain available for a sufficiently long period of time and in any event for a period of not less than five (5) years but not more than ten (10) years following the end of the period within which the Reporting Malta Crypto-Asset Service Provider is required to report the information if the information is reportable pursuant to Section II.

2. Reporting Malta Crypto-Asset Service Providers shall ensure that all necessary information is reported to the Commissioner so that the competent authority of Malta can comply with the obligation to communicate information in accordance with regulation 13(13)(c).

C. Administrative procedures to verify compliance of Reporting Malta Crypto-Asset Service Providers with the reporting requirements and due diligence procedures

Administrative procedures shall be set to verify the compliance of Reporting Malta Crypto-Asset Service Providers with the reporting requirements and due diligence procedures stipulated in Sections II and III, respectively.

D. Administrative procedures to follow up with Reporting Malta Crypto-Asset Service Providers where incomplete or inaccurate information is reported

Procedures shall be set for following up with Reporting Malta Crypto-Asset Service Providers where the reported information is incomplete or inaccurate.

E. Administrative procedure for authorisation of a Crypto-Asset Service Provider

The Malta Financial Services Authority, being the competent authority of Malta providing authorisation to Crypto-Asset Service Providers in accordance with Regulation (EU) 2023/1114 and the Markets in Crypto-Assets Act shall communicate on a regular basis and at the latest before 31 December of the relevant calendar year or other appropriate reporting period to the competent authority of Malta a list of all authorised Crypto-Asset Service Providers. Cap. 647.

F. Administrative procedure for single registration of a Crypto-Asset Operator

1. A Crypto-Asset Operator that is a Reporting Malta Crypto-Asset Service Provider as defined in Section IV, sub-paragraph B(3), shall register, in accordance with regulation 13(13)(e), with the Commissioner, as determined in accordance with Section I, sub-paragraph A(2), point (a), (b), (c) or (d), or paragraph B, before the end of the period within which such Crypto-Asset Operator shall report the information stipulated in Section II, paragraph B. If such Crypto-Asset Operator fulfils the conditions in Section I, sub-paragraph A(2), point (a), (b), (c) or (d), or paragraph B, respectively, in more than one Member State, it shall register with the competent authority of one of those Member States, before the end of the period within which the Crypto-Asset Operator shall report the information stipulated in Section II, paragraph B.

Notwithstanding sub-paragraph F(1), first sub-paragraph, a Crypto-Asset Operator that is a Reporting Crypto-Asset Service Provider as defined in Section IV, sub-paragraph B(3), shall not register with the competent authority of a Member State in which such Crypto-Asset Operator is not required to complete the reporting and due diligence requirements established in Sections II and III, respectively, pursuant to Section I, paragraph C, D, E, F, G or H, by virtue of such requirements being completed by such Crypto-Asset Operator in any other Member State.

2. If Malta is the Member State chosen for the purposes of single registration, determined in accordance with sub-paragraph F(1), upon registration, the Crypto-Asset Operator shall communicate to the Commissioner the following information:

(a) name;

(b) postal address;

(c) electronic addresses, including websites;

(d) any TIN issued to the Crypto-Asset Operator;

(e) Member States in which Reportable Users are residents within the meaning of Section III, paragraphs A and B;

(f) any Qualified Non-Union Jurisdiction as referred to in Section I, paragraphs C, D, E, F or H.

3. The Crypto-Asset Operator shall notify the Commissioner of any changes in the information provided under sub-paragraph F(2).

4. An individual identification number shall be allocated to the Crypto-Asset Operator and the competent authority of Malta shall notify it to the competent authorities of all Member States by electronic means.

5. If Malta is the Member State for single registration, the Commissioner shall be able to remove a Crypto-Asset Operator from the Crypto-Asset Operator register in the following cases:

(a) the Crypto-Asset Operator notifies the Commissioner that it no longer has Reportable Users in the Union;

(b) in the absence of a notification pursuant to point (a), there are grounds to assume that the activity of a Crypto-Asset Operator has ceased;

(c) the Crypto-Asset Operator no longer meets the conditions established in Section IV, sub-paragraph B(2);

(d) the Commissioner has revoked the registration pursuant to sub-paragraph F(7).

6. The competent authority of Malta shall forthwith notify the Commission of any Crypto-Asset Operator within the meaning of Section IV, sub-paragraph B(2), that has Reportable Users resident in the Union while failing to register itself in accordance with this paragraph.

7. Where a Crypto-Asset Operator does not comply with the

obligation to report in accordance with Section II, paragraph B, of this Annex after two (2) reminders by the Commissioner, if Malta is the Member State of single registration, the Commissioner shall, without prejudice to Regulation 53, revoke the registration of the Crypto-Asset Operator made in accordance with regulation 13(13)(e). The registration shall be revoked not later than ninety (90) days after the second reminder and not earlier than thirty (30) days after the second reminder.".

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