

11 March 2022

Circular Addressed to Companies and Individuals Authorised to Act as Company Service Providers in terms of the Company Service Providers Act

Submission of the Annual Compliance Return – 2022

Reference is made to the Annual Compliance Return (“ACR”) which persons authorised to act as company service providers (CSPs) are required to submit on an annual basis as part of their obligations relating to regulatory submissions. Please be informed that for the ACR 2022 submissions (covering financial period 2021), an updated ACR template has been issued to cover new requirements emanating from the amendments to the Company Service Providers Act (“CSP Act”) by virtue of Act L of 2020 and the recent changes to the CSP Rulebook. The updated ACR template can be downloaded by clicking [here](#) or can be found on the MFSA website on the Company Service Providers page and is entitled ‘Annual Compliance Return - CSPs’. It is highly recommended to download and save the ACR excel sheet on your desktop to facilitate the workflow and ease of access.

Updates to the ACR

Please note that for some pre-existing questions, further drop-down menus have been added to streamline the process of completion. CSPs are therefore reminded that if the field for the response restricts answers using drop-down menus or validations (such as requiring that responses be strictly in numerical format), answers are to be written according to the set specification. Further detail or clarifications are to be provided in the ‘comments’ column.

All questions need to be completed, unless otherwise indicated, for the submission to be deemed complete. In fact, the Authority would also like to point out that, particularly in view of the specific nature of the business model of those CSPs classified as ‘under threshold’, it has included various guidance notes throughout the ACR, particularly to clarify where certain questions may be applicable only to certain classes of authorised CSPs. **You are requested to ensure that you follow such guidance notes carefully and to indicate ‘Not Applicable’ where certain questions may not be applicable to a particular class of CSP.**

Submission of Financial Statements, Auditor's Management Letter and other supporting documentation to the ACR

The Authority would like to remind all CSPs which are classified as over threshold Class A, over threshold Class B and Class C, to submit **audited** financial statements together with the auditor's management letter and the auditor's report in terms of Rule R3-13.3 (as applicable to legal persons), and Rule R3-13.6 (as applicable to individuals). Kindly note that CSPs which were provisionally authorised in November 2021 are not required to submit ACRs and supporting documents for this year in view of the fact that they are still undergoing the second phase of the processing of their applications. Regulatory submissions for such CSPs will be due the following year subject to being granted full authorisation.

In view of feedback received relating to proportionate and risk-based application of these requirements to under threshold Class A and under threshold Class B individual CSPs, the Authority is currently undertaking an assessment to consider whether it is proportionate to retain the requirement for such under threshold Class A and under threshold Class B individual CSPs to submit audited financial statements. For this reason, and also in the light that the majority of such individual CSPs falling within such classes have only recently been authorised by the MFSA, whilst still being required to submit financial statements for 2022 (covering financial period 2021), the Authority will not require such financial statements to be audited. The position may however be revisited in the future. All individual CSPs are also reminded that they are required to submit a Statement of Solvency in the form set out in Annex 1 of the CSP Rulebook. Furthermore, the resolution of the board of directors approving the ACR should be signed by two directors.

Other Supporting Documents

CSPs are reminded that apart from the financial statements, management letter, and statement of solvency (as applicable), they are required to submit all supporting documents outlined in the ACR together with said return, in order for the submission to be deemed complete. CSPs are also requested to ensure that the organisation charts provided are to indicate the **percentage of shares held as at the date of submission**.

Submission through LH Portal

CSPs are reminded that the ACR, Financial Statements, Management Letter and all supporting documents outlined in the ACR are to be submitted through the Licence Holder Portal ("LH Portal").

All CSPs have been supplied with usernames and passwords to be able to access the LH Portal through the following link: <https://lhportal.mfsa.com.mt/>. The allocated user for the CSP is encouraged to verify the username and password supplied. In case where the

individuals identified by the CSP are no longer employed with the said CSP, the Authority is to be informed accordingly and to provide the Authority with details of the new user **as soon as possible and well in advance of the due date for submissions**. Furthermore, any CSP who still needs to setup an account on the LH portal is requested to provide the Authority with details of the individual identified user.

Timing of Submissions

CSPs are reminded that the ACR, the financial statements, the management letter and any other required accompanying documents are to be submitted through the Licence Holder portal within four months from the CSP's financial year end in the case of legal persons, and by the end of April in case of individuals, as also set out in Annex 3 to the CSP Rulebook.

The Authority would like to highlight that it will not be granting any extensions to any of the above-mentioned deadlines emanating from the CSP Rulebook.

Any queries with respect to the ACR or the other regulatory submissions are to be sent on fiduciariesoffsite@mfsa.mt.