

Guidelines on the Compilation and Submission of the Conduct-Related Data Return for Credit Institutions

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INTRODUCTION

The purpose of this document is to provide clarifications and guidance about the information to be reported in the Conduct Related Data Return ('Return') for Credit Institutions to be submitted on an annual basis.

The document is structured in the following manner:

Section 1:	General Information
Section 2:	Conduct Related Data Return Surveys
Section 3:	Concluding Remarks

SECTION 1: GENERAL INFORMATION

1.1 APPLICABILITY

Credit Institutions Licence Holders are required to submit to the Malta Financial Services Authority ("MFSA" or "Authority") the Return on an annual basis.

The Return is aimed to capture information related to **Retail clients** as defined in the Glossary.

1.2 INFORMATION ON COMPILATION

Credit Institutions that did not service or did not target Retail clients during the reporting period should mark the Surveys included in the Return as Not applicable ("N/A").

Any fields which are not applicable to Retail clients for the Credit Institution are also to be marked as N/A.

Fields for which the information is for any reason not available should be populated with 'Not available'.

Fields requiring 'additional/more information' are intended to capture anything which the Credit Institution would like to disclose but which is not captured by the close-ended questions within the same tab.

The reporting of values should be done in Euro. If applicable, the Credit Institution should use the relevant exchange rates as at the end of the reporting period.

These guidelines are to be read in conjunction with the Glossary which can be accessed through [this link](#), under the Conduct-Related Data Reporting Requirements tab within the Credit Institutions section of the MFSA website.

1.3 REPORTING FREQUENCY

Credit Institutions Licence Holders are required to submit the Return to the Authority on an annual basis.

The data reported is to be as at the end of the reporting year, according to the financial year end. The first submission of the return is to be submitted by 31 May 2023 (i.e. submission related to the **reporting period 2022** should be submitted by **31/05/2023**), through the 'Conduct Related Data Credit Institutions' project on the LH Portal. Subsequent submissions should follow on 31 May of each year.

1.4 SUBMISSION

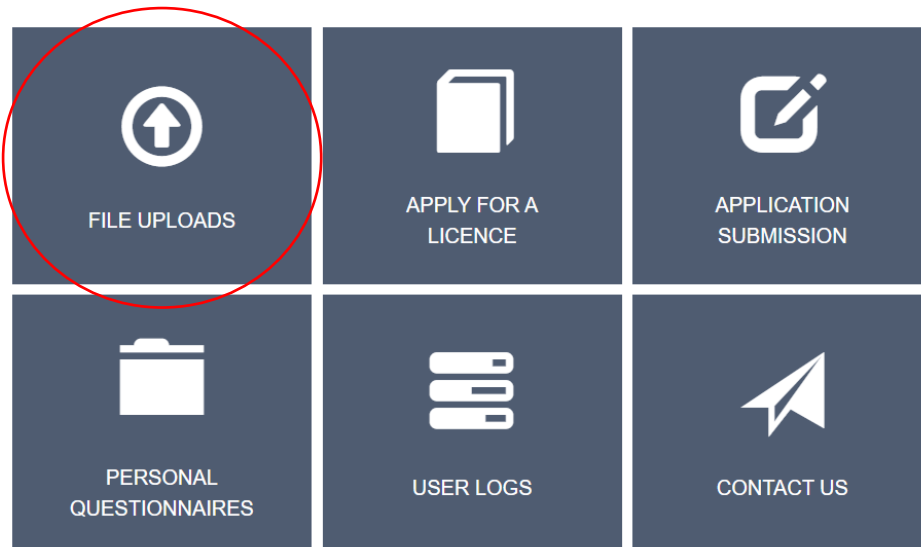
The Return is compiled via an MS Excel File. The file has been optimised to work on Microsoft Excel 2010 and later versions. The Return must be saved in the following format: Microsoft Excel Macro-Enable Worksheet (.xlsm) and it shall be uploaded via the '***Conduct Related Data Credit Institutions***' project on the LH Portal, which can be accessed through [this link](#).

The following file naming convention should be used for the submission of the Return: LICENCEHOLDERCODE_MMMYYYY_CRDCI) where:

- LICENCEHOLDERCODE: letter identification-code assigned to the Credit Institution. This refers to the field 'Identification' in terms of data held on the Authority's website under the section 'Financial Services Register';
- MMM: the first 3 digits of the respective referenced month. For example, for December, the MMM is DEC;
- YYYY is the full 4-digits number of the respective referenced year.

1.5 UPLOADING OF FILES ON LH PORTAL

Step 1: The user has to click on the "File Uploads" icon, as indicated below in order to proceed to the next webpage.



Step 2: On the left-hand side the user has to choose the applicable Credit Institution and the project type. For the submission of the Conduct-Related Data Return, the user shall select the project “Conduct Related Data Credit Institutions”.

File Uploads

Use the feature below to upload files to the MFSA server. It is important that all file names are in the appropriate convention.

Authorised Person

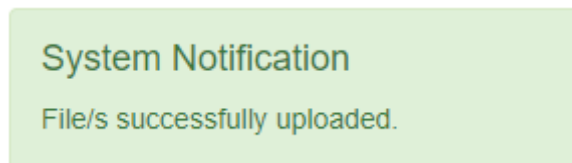
Project

Files: No file chosen

Step 3: On the right-hand side of the webpage, the user will be able to view the required naming conventions guidelines for the documentation that needs to be uploaded.

Step 4: The user should then click the “add” button to add a maximum of 1 ZIPPED (.ZIP) files simultaneously amounting to a total of 30Mb and then click the “upload file(s)” button to upload the file.

Subsequently the registered user will get a “File/s successfully uploaded” system notification at the bottom of the webpage as well as an e-mail confirming that the respective ZIP file has been uploaded successfully.



The user will also receive a notification via email, confirming the receipt of the file/s submitted.

IMPORTANT: If such notification is not received, one needs to access the LH Portal using the login details used when registering to the LH Portal and check whether the project “Conduct Related Data Credit Institution” is available in the “File uploads” tab. If this is not the case, send an email to financialpromotion@mfsa.mt.

SECTION 2: CONDUCT-RELATED DATA RETURN SURVEYS

2.1 COVER SHEET

The first page contains general information regarding the Credit Institution Licence Holder ('Credit Institution' or 'Institution'). The entity is required to include all of the following information:

1. Full legal name of the Institution;
2. Investment Services Licence Holder Code, meaning the identification code provided by the Authority (which can be found on the Entity page in the [Financial Services Register](#)). To note that this Code is different from the Company Registration Number;
3. Reporting period
4. Person confirming accuracy of information
5. Designation of the person confirming accuracy of information
6. E-mail address of the person confirming accuracy of information

IMPORTANT: Prior to compiling the Return make sure that you compile the latest version, a copy of which can be downloaded through the MFSA website. Version edition can be checked at the end of the Cover Sheet.

Important !
Kindly ensure you complete the latest version of the Return, available on the MFSA website.
A Guidelines document which you can consult prior to compile this Return is available on the MFSA website, under the Conduct-Related Data Reporting Requirements tab within the Credit Institutions section of the MFSA website, via this link:
<https://www.mfsa.mt/our-work/credit-institutions/#Cis>
Kindly note that the Return should include information related to Retail clients. If the requested information is not applicable to retail clients, it should be reported as "N/A". If the requested information is not available, the Company should include "Not available".
Kindly note that for the purpose of the Conduct Related Data Return, Retail clients include:
(a) a natural person making use of Retail Products who is acting for purposes of his/her personal accord (personal client), including instances whereby he/she is carrying out a business venture, trade or profession under his/her own personal name (sole trader);
(b) an enterprise which employs fewer than ten persons and whose annual turnover and, or annual balance sheet total does not exceed two million euro (€2,000,000) (Micro-Business).

Version 1: May 2023

2.2 FINANCIAL INNOVATION SURVEY

The aim of the Survey is to collect information on the usage of new technologies and financial innovations. Financial innovation is defined as the act of creating and / or distributing new products, processes, business models and markets, including the new application of existing ideas in a different market context.

In **Question 1**, the Credit Institution is required to indicate if it offers banking products to retail client through digital means (i.e. any provisions of banking products or services not involving partly or full face to face communication or telephone calls). If yes, more information has to be provided in **Question 1.1**.

In **Question 2**, the Company is required to indicate whether one or more of the new technologies included therein was used during the reporting period. If "Other" was selected, the Company shall include additional information in **Question 1.1**.

In **Question 3** and **Question 4**, the Company is asked to indicate in which line of business and area of value chain the new technologies have been used and provide additional information in **Question 3.1** and **4.1**, if applicable.

New technologies are to be considered as any of the technologies mentioned in question 2 of the tab, which were adopted during the reporting year.

2.3 CROSS-BORDER ACTIVITY

The Company is required to report on the extent of business generated during the reporting period in terms of number of Retail clients on a per country basis (including Malta). The Company should therefore include information on clients which held a banking product during the reporting period, irrespective of whether the relationship was closed before the end of the reporting period.

IMPORTANT: In order to determine under which country one retail client should be reported, the country of residence (i.e. permanent address) of such retail client is to be considered.

If the Credit Institution did not sell any product to Retail clients residing in other jurisdictions during the report period, it should include N/A under column B.

The Company is required to include under column B the total number of Retail clients in the jurisdiction that were recipient on the banking products on a cross-border basis during the reporting period. Furthermore, a segregation by product should be provided in the subsequent columns.

It should be noted that under column D the Company is required to report a breakdown of the number of Retail clients that were recipient of Savings Accounts Redeemable at notice, while in column C the number of Retail clients that were recipient of all the types

of Savings Accounts (including the Savings Accounts Redeemable at notice) should be provided.

2.3 PRODUCTS & MARKETING DATA

This Survey aims to gather information on the products and marketing trends in the banking market. Indeed, it contains questions on the products and/or services provided by the Company to Retail clients during the reporting period.

IMPORTANT: The Products & Marketing Data Survey should only include information about the new relationships with Retail clients (i.e. new contracts related to banking products and services) opened during the reporting period. Therefore, products sold and terminated during the reporting period should still be reported. Accounts which were subject to the 'right to be forgotten' or 'Abonnement process' are not to be considered instead.

If the Company did not enter in any new contracts with Retail clients during the reporting period, or if the Company is not authorized to provide products or services to Retail clients, then it should include N/A in Question 1 accordingly.

In **Question 1**, the Company is required to indicate the number of banking products provided to Retail clients via Branches, Online onboarded applications and Credit Intermediaries during the reporting period. In order to determine if the product was provided via Branches, Online applications or Credit Intermediaries the Company should consider where the agreement was concluded (i.e. whether concluded entirely at the branch, online or through credit intermediaries).

With respect to loans, information should be reported with their value as at sanctioning stage.

If "Other" was selected in Question 1, then the Company needs to populate **Question 1.1** accordingly. To note that the category 'Other' refers to any other banking products not included in Question 1.

In **Question 2**, the Company is required to indicate the method of communication and/or media channel used to promote the banking products indicated in **Question 1**. For each banking product, the Entity should mark with "X" or "N/A" the relevant mean of communication. If this is not listed, then the Entity can mark with "X" the field "Others" and provide more information in **Question 2.1**.

In **Question 3**, the Company is required to indicate how it communicates to Retail clients changes in relation to products and/or services (e.g. changes in T&C). The Entity should mark with “X” or “N/A” the relevant mean of communication. If this is not listed, then the Entity can mark with “X” the field “Others” and provide more information in **Question 3.1**.

2.4 COMPLAINTS SURVEY

This survey seeks to gather information on the Complaints received from Retail clients during the reporting period as well as the unresolved ones of the previous reporting periods. Kindly refer to the Glossary for further detail regarding what is deemed to be a complaint.

In the first column, the Company is requested to report the number of new complaints received during the applicable reporting period. Such complaints should be split by:

- New complaints received from Retail clients residing in Malta;
- New complaints received from Retail clients residing in EU/EEA (excluding Malta);
- New complaints received from Retail clients residing in the rest of the world (excluding EU/EEA).

If no new complaints were received, all rows of the “Number of new complaints received during the current reporting quarter” column should be compiled with “0”.

If the Company received complaints from client residing outside Malta, then it is required to list the top 3 countries in the box below table 1.

In the fourth column, “Number of Unresolved Complaints from the previous reporting quarters”, the Entity is requested to report all unresolved complaints received during any previous quarters. In the last column, the Company is required to indicate the number of complaints which were referred to the Arbiter during the reporting period.

Whilst in the first table, the Company is required to indicate the number of complaints by complaint cause, Table 2 seeks to gather further information on the banking products to which such complaints relate to.

IMPORTANT: Kindly note that for record purposes, we would need all the relevant parts of this sheet to be properly filled in even by indicating “0” in case where the Institution does not have any complaints to report.

Please note that the total number of complaints by complaint cause should tally with total number of complaints by product. In rows 17 or 38 the Institution can provide any other useful information regarding the complaints received (for example nature of the complaint, date received and any other useful information regarding the complaint).

2.5 OFFICE OF THE ARBITER FOR FINANCIAL SERVICES SURVEY

The Credit Institution is required to include information regarding the complaints which Retail clients referred to the Office of the Arbiter for Financial Services ('Arbiter').

The entity needs to report the list of all Complaints received and referred to the Arbiter, including:

- any complaints referred to the Arbiter in previous quarters which are still unresolved or that have been resolved during the reporting period;
- any complaints referred to the Arbiter during the current reporting period, which number has been indicated in the "Complaints" sheet, in the last column of each table.

2.6 ONLINE & SOCIAL MEDIA PRESENCE

This Survey aims to gather information on the online and social media presence of the Institution. In **Question 1**, the Institution is required to include up-to-date information on the website(s) used to provide information to clients or potential clients. The Institution is required to list all the websites available, indicating the target audience (e.g. specific category of clients) to which the website(s) are intended for. Furthermore, the Institution shall indicate whether the website is intended for a specific jurisdiction, as well as the languages in which the contents of the website are available. If not, the Institution should include relevant information accordingly.

Question 2 aims to collect up-to-date information on the social media pages used by the Institution. Social media includes but is not limited to: websites, microblogs (e.g. Twitter), social and professional networks (such as Facebook and LinkedIn), forums, image and video-sharing platforms (YouTube, Instagram, TikTok). The Institution is required to include the link of each page and the social media. The Institution is also required to indicate the target audience (e.g. specific category of clients) to which the social media page is intended for. Furthermore, the Institution shall indicate whether the page is intended for a specific jurisdiction, as well as the languages in which the contents on the page are available.

Kindly note that in the 'Online & Social Media Presence' tab, the Institution is required to include information only in relation to websites and social media used to promote the provision of banking products or services to Retail clients. If the Institution does not make use of any website and/or social media to promote the provision of banking products or services to Retail clients, the relevant fields should be marked as 'N/A' accordingly.

2.7 BRANCHES

The survey aims to gather information on the branches servicing Retail clients (as defined in the glossary) located in Malta and outside Malta in EU/EEA, as at the end of the reporting period.

In column C, the Institution should report the total number of branches servicing Retail clients in the respective jurisdictions.

In column D, the Institution should report the number of branches servicing all the categories of clients included in the definition of Retail clients included in the Glossary (i.e. Retail clients, sole traders and micro business).

In column F, the Institution should report the total number of employees in the branches. Staff members should be considered in whole if working full-time and decimal if working part-time (e.g. 0.5 for a part-timer).

In columns H and J, the Institution should report the total number of ATMs which are available to Retail clients and the number of Deposit machines, respectively. In relation to the deposit machines, the Institution should refer to machines used specifically for deposits, even if such service is also given through the bank's ATMs which are available to Retail clients.

2.8 ADDITIONAL DETAILS

The Survey aims to gather additional information on the Institution.

In **Question 1**, the Institution is required to indicate the number of clients recipient of banking products and/or services and the total value of deposits as at the end of the reporting period. Therefore the Institution should not report information on relationships and contracts that were closed during the reporting period.

The Institution should refer to the definition of value of deposits included in the Glossary and make reference to the available amount and not to the actual amount of deposits.

The Institution is required to distinguish between Retail clients resident in Malta, in the rest of EU/EEA and in the rest of the world, according to the permanent address of the clients. In such cases when the Institution serviced clients in jurisdictions located outside the EU/EEA, then it needs to include the name of the jurisdiction and the number of clients in each jurisdiction under **Question 1.1**. The Institution should ensure that the number of clients included in Question 1.1 tallies with the number of clients reported under the column "Resident in the rest of the world in question 1.

IMPORTANT: In case of joint accounts, a value corresponding to the actual number of depositors should be reported (i.e. for a joint account with 2 depositors the Institution should report 2 as a number of client). By way of example, if only one is non-resident in Malta, then only one shall be reported under non-resident while the other will be reported as resident in Malta. Furthermore, pending closure accounts should not be taken into consideration in determining the number of clients.

SECTION 3: CONCLUDING REMARKS

This Guidance Document provides Credit Institutions with additional guidance on the information to be included in the Return. It is very important that the person confirming accuracy checks and ensures that the information submitted to the Authority is correct and complete according to the instructions contained in the Guidance Document as well as in the Glossary.

In case of any queries in relation to the Return an email can be sent to financialpromotion@mfsa.mt.