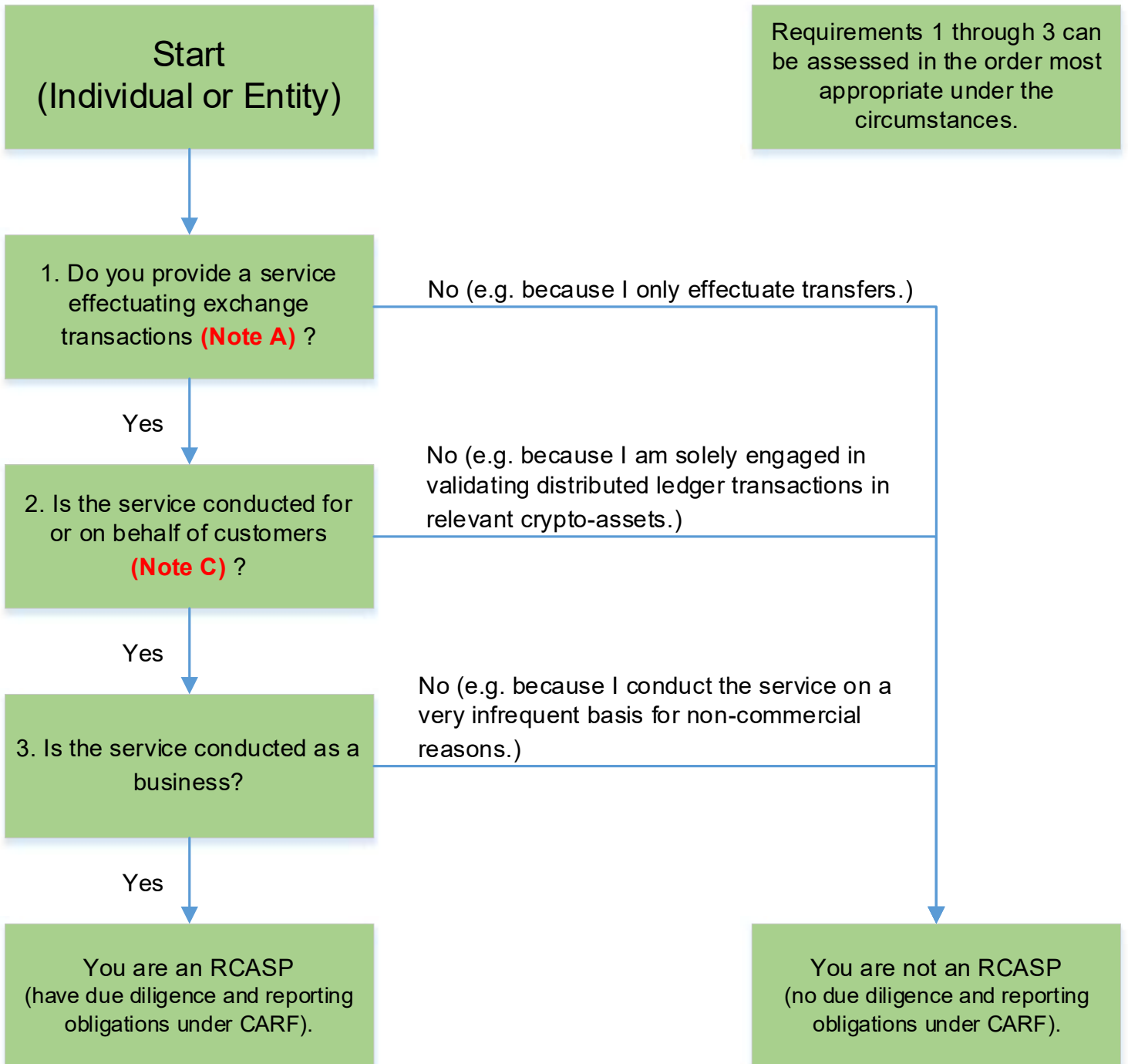




Is an individual or entity a reporting crypto-asset service provider (RCASP) under the Crypto-Asset Reporting Framework (CARF)?

This flowchart is intended to aid an individual or entity to assess whether he/she/it is an RCASP under CARF. An RCASP means any individual or entity that, as a business, provides a service effectuating exchange transactions for or on behalf of customers, including by acting as a counterparty, or as an intermediary, to such exchange transactions, or by making available a trading platform.



Note A – The term “exchange transaction” means any: -

- (a) Exchange between relevant crypto-assets (**Note B**) and fiat currencies; and
- (b) Exchange between one or more forms of relevant crypto-assets.

Note B – The term “relevant crypto-asset” means any crypto-asset that is not: -

- (a) a central bank digital currency;
- (b) a specified electronic money product; and
- (c) a crypto-asset that an RCASP has adequately determined that it cannot be used for payment or investment purposes.

Note C – Service conducted for or on behalf of customers includes but not limited to:

- (a) Acting as a counterparty (**Note D**) to exchange transactions;
- (b) Acting as an intermediary (**Note D**) to exchange transactions;
- (c) Making available a trading platform (**Note E**); and
- (d) Carrying out activities that functionally effectuate exchange transactions for or on behalf of customers, regardless of the technology involved.

Note D – Examples of acting as a counterparty, or as an intermediary include:

- (a) dealers acting for their own account to buy and sell relevant crypto-assets to customers;
- (b) operators of crypto-asset automated teller machines (ATMs), permitting the exchange of relevant crypto-assets for fiat currencies or other relevant crypto-assets through such ATMs;
- (c) crypto-asset exchanges that act as a market makers and take a bid-ask spread as a transaction commission for their services;
- (d) brokers in relevant crypto-assets where they act on behalf of clients to complete orders to buy or sell an interest in relevant crypto-assets; and
- (e) individuals or entities subscribing one or more relevant crypto-assets. While the sole creation and issuance of a relevant crypto-asset would not be considered a service effectuating exchange transactions as a counterparty or intermediary, the direct purchase of relevant crypto-assets from an issuer, to resell and distribute such relevant crypto-assets to customers would be considered effectuating an exchange transaction.

Note E – A “trading platform” includes any software program or application that allows users to effectuate (either partially or in their entirety) exchange transactions.

An individual or entity will be considered to make available a trading platform to the extent it exercises control or sufficient influence over the platform, allowing it to comply with the due diligence and reporting obligations with respect to exchange transactions concluded on the platform (including decentralised platforms that operate on a blockchain or similar technology). Whether an individual or entity exercises such control or sufficient influence should be assessed in a manner consistent with the 2012 Financial Action Task Force (FATF) Recommendations (as amended in June 2019 with respect to virtual assets and virtual asset service providers) and related FATF guidance.

An individual or entity that is making available a platform that solely includes a bulletin board functionality for posting buy, sell or conversion prices of relevant crypto-assets would not be an RCASP as it would not provide a service allowing users to effectuate exchange transactions. For the same reason, an individual or entity that solely creates or sells software or an application is not an RCASP, as long as it is not using such software or application for the provision of a service effectuating exchange transactions for or on behalf of customers.