KPMG AEOI Updates & Tracking Service CARF Alert

Date:	10 July 2026	**Alert Type:**	Document
Country:	Malta	**Regime:**	CARF
Document Type:	Other Guidance		

Malta: Implements DAC8 in Line with the OECD's CARF

On 22 May 2026, the Malta implemented Council Directive (EU) 2023/2226 of 17 October 2023 (DAC8), which is aligned with the OECD's Crypto-Asset Reporting Framework (CARF), into Maltese legislation through L.N. 162 of 2026 (found here), effective from 1 January 2026. The first reporting period is calendar year 2026, with the first reports due by 30 September 2027.

The key updates include:

— **Scope of the DAC 8 Crypto-Asset Reporting Requirements:**

Starting from the 2026 reporting period, Reporting Crypto-Asset Service Providers (RCASPs) that are authorized by the Malta Financial Services Authority under Article 63 of Regulation (EU) 2023/1114, permitted to provide crypto-asset services following notification to MFSA under Article 60 of that Regulation, or that otherwise have a relevant nexus with Malta (including through tax residence, incorporation or organization, management, a regular place of business in Malta, or transactions effected through a branch situated in Malta), are required to apply the due diligence procedures and reporting requirements set out in Sections II and III of Annex VI to L.N. 162 of 2026.

— **Due Diligence Requirements:**

— RCASPs are required to obtain a self-certification from individual and entity crypto-asset users at the commencement of a customer relationship or, in the case of pre-existing customers, by 1 January 2027, in order to determine their jurisdictions of tax residence. RCASPs must verify the reasonableness of the information provided in the

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self-certification against the information and documentation collected through their customer due diligence (CDD) procedures.

- Where an entity user declares that it is not tax resident in any jurisdiction, the RCASP may determine the entity's residence based on its place of effective management or the address of its principal office.
- For the purpose of identifying the controlling persons of entity users, RCASPs may rely on information collected and maintained under their CDD procedures, provided that such procedures are consistent with Directive (EU) 2015/849.
- If an RCASP knows, or has reason to know, that a self-certification is incorrect or unreliable due to a change in circumstances, it must obtain a valid self-certification or, where appropriate, a reasonable explanation supported by relevant documentation.

- **Reporting Requirements:**

  RCASPs must annually report the following information to the Malta Tax and Customs Administration (MTCA) Authority in accordance with Section II of Annex VI:

  - Identification details of reportable crypto-asset users:
    - For individual users: Name, address, jurisdiction of tax residency, Tax Identification Number (TIN), date of birth, and place of birth.
    - For entity users: Name, address, jurisdiction of tax residency, TIN, details of controlling persons (same as required for individual users), and details on the role of each controlling person.
  - Identification details of the RCASP: Name, address, TIN, individual identification number (where available), and global Legal Entity Identifier (LEI).
  - Transaction details involving reportable crypto-assets, including:
    - Name of the crypto-asset,
    - Amount paid or received,
    - Number of units,
    - Aggregate fair market value,
    - Total number of transactions.

    These reporting requirements apply to transactions involving:

    - Exchanges between relevant crypto-assets and fiat currencies;
    - Exchanges between different types of relevant crypto-assets; and
    - Transfers of relevant crypto-assets, including reportable retail payment transactions.

- **Sanctions:**
  - An administrative penalty of EUR 500 applies where an RCASP fails to register with the MTCA;
  - An administrative penalty of EUR 2,500 applies where an RCASP fails to retain the information and documentation collected in the course of fulfilling its due diligence and reporting obligations for a minimum period of five years;
  - An administrative penalty of EUR 2,500 applies where an RCASP fails to submit the required information within the prescribed deadline.

    In addition, a penalty of EUR 100 per day may be imposed for each day the failure continues, up to a maximum cumulative penalty of EUR 20,000.
  - Where an RCASP fails to submit required information in a complete and accurate manner:
    - For minor errors, an administrative penalty of EUR 200 applies, followed by an additional penalty of EUR 50 per day for each day the non-compliance continues, up to a maximum cumulative penalty of EUR 5,000.
    - For significant errors, an administrative penalty of up to EUR 50,000 may be imposed.
  - An administrative penalty of EUR 5,000 applies where an RCASP fails to carry out the required due diligence procedures.
  - In addition to any other applicable administrative penalties, where an RCASP submits false or misleading information, each senior management official of the RCASP may be subject to an administrative penalty ranging from EUR 10,000 to EUR 30,000, unless the official can demonstrate that they were unaware of the act or omission, could not reasonably have been expected to be aware of it, and took all reasonable steps within their power to prevent it.

Reference: L.N. 162 of 2026

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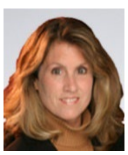

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