



SCHEDULE I
Digital Asset Business Account Rules Form 1SFS
Statutory Balance Sheet

[blank] name of Licensed undertaking as at [blank] (day/month/year)
expressed in [blank] (currency used)

	Assets	20XX	20XX-1
1	Cash and cash equivalents	XXX	XXX
2	Quoted investments		
(a)	Bonds and debentures		
	i. Held to maturity	XXX	XXX
	ii. Other	XXX	XXX
(b)	Total bonds and debentures	XXX	XXX
(c)	Equity investments		
	i. Common stocks	XXX	XXX
	ii. Preferred stocks	XXX	XXX
	iii. Mutual funds	XXX	XXX
(d)	Total equity investments	XXX	XXX
(e)	Other quoted investments		
	i. Digital assets	XXX	XXX
	ii. Digital assets to be issued	XXX	XXX
	iii. Others	XXX	XXX
	iv. Total other quoted investments	XXX	XXX
(f)	Total quoted investments	XXX	XXX
3	Unquoted investments		
(a)	Bonds and debentures		
	i. Held to maturity	XXX	XXX
	ii. Other	XXX	XXX
(b)	Total bonds and debentures	XXX	XXX
(c)	Equity investments		
	i. Common stocks	XXX	XXX
	ii. Preferred stocks	XXX	XXX
	iii. Mutual funds	XXX	XXX

	Assets (contd.)	20XX	20XX-1
(d)	Total equity investments	XXX	XXX
(e)	Other unquoted investments	XXX	XXX
	i. Digital assets (at cost; disclose fair value in Schedule II)	XXX	XXX
	ii. Digital assets to be issued (at cost; disclose fair value in Schedule II)	XXX	XXX
	iii. Others	XXX	XXX
	iv. Total other unquoted investments	XXX	XXX
(f)	Total unquoted investments	XXX	XXX
4	Investment in and advances to affiliates	XXX	XXX
5	Investment in mortgage loans on real estate	XXX	XXX
6	Equipment, net of depreciation	XXX	XXX
7	Real estate		
	i. Occupied by the licensed undertaking	XXX	XXX
	ii. Other properties	XXX	XXX
	iii. Total	XXX	XXX
8	Prepaid expenses	XXX	XXX
9	Investment income due and accrued	XXX	XXX
10	Loans receivable		
	i. Due in one year or less	XXX	XXX
	ii. Due over a year	XXX	XXX
	iii. Total	XXX	XXX
11	Receivables from clearing brokers	XXX	XXX
12	Other receivables from digital asset business		
	i. Due in one year or less	XXX	XXX
	ii. Due over a year	XXX	XXX
	iii. Total	XXX	XXX
13	Sundry assets:		
	i. Derivative instruments	XXX	XXX
	ii. Net receivables for investments sold	XXX	XXX
	iii. Goodwill and other intangibles	XXX	XXX
	iv. Other sundry assets 1 (specify)	XXX	XXX
	v. Other sundry assets 2 (specify)	XXX	XXX
	vi. Other sundry assets 3 (specify)	XXX	XXX
	vii. Total sundry assets	XXX	XXX
14	Letter of credit, guarantees and other instruments	XXX	XXX
15	Total assets	XXX	XXX

	Liabilities and stockholders' equity	20XX	20XX-1
16	Contractual liabilities arising from digital asset issuance	XXX	XXX
17	Commissions, expenses, fees and other taxes payable	XXX	XXX
18	Loans and notes payable	XXX	XXX
19	Income tax payable	XXX	XXX
20	Amounts due to affiliates	XXX	XXX
21	Accounts payable and accrued expenses	XXX	XXX
22	Dividends payable	XXX	XXX
23	Sundry liabilities		
	i. Derivative instruments	XXX	XXX
	ii. Net payable for investments purchased	XXX	XXX
	iii. Other sundry liabilities (specify)	XXX	XXX
	iv. Total sundry liabilities	XXX	XXX
24	Letter of credit, guarantees and other instruments		
	i. Letters of credit	XXX	XXX
	ii. Guarantees	XXX	XXX
	iii. Other instruments	XXX	XXX
	iv. Total letters of credit, guarantees and other instruments	XXX	XXX
25	Total liabilities	XXX	XXX
26	Stockholders' equity		
	i. Common shares	XXX	XXX
	ii. Preferred shares	XXX	XXX
	iii. Additional paid-in capital	XXX	XXX
	iv. Treasury shares	XXX	XXX
	v. Retained earnings, beginning of the year	XXX	XXX
	vi. Net income (loss) for the current period	XXX	XXX
	vii. Dividends declared for the current period	XXX	XXX
	viii. Other comprehensive income (loss)	XXX	XXX
	ix. Retained earnings, end of the year	XXX	XXX
	x. Total stockholders' equity	XXX	XXX
27	Total liabilities and stockholders' equity	XXX	XXX

INSTRUCTIONS AFFECTING THE STATUTORY BALANCE SHEET

Balance sheet line	Instructions
1. Cash and cash equivalents	Cash and cash equivalents (maturities of less than 90 days) as of the balance sheet date shall be included here. This includes restricted cash as may be required legally or contractually. Any encumbrance on cash or cash equivalents must be disclosed, indicating the amount, custodian bank and any relevant restrictive terms.
2. Quoted investments	There shall be disclosed severally -
	(a) Bonds and debentures -
	(i) Held to maturity: quoted fixed maturities; and
	(ii) Other: quoted fixed maturities shall be included here. Where the bonds and debentures are in level 3 of the investments fair value hierarchy, they should be categorised as unquoted.
	(b) Equity investments -
	(i) Common stocks: investments in publicly quoted common shares;
	(ii) Preferred shares: investments in publicly quoted preferred shares; and
	(iii) Mutual funds: investments in publicly quoted mutual funds, etc.
	(c) Other quoted investments—
	(i) Digital assets— The fair value and cost of each type of digital asset that the licensed undertaking is holding as at the end of the relevant year. The licensed undertaking shall disclose the quantity of each type of digital asset held. Licensed undertaking-generated digital assets for future issuance or sales, which have been mined or minted but have not been issued yet, shall be valued at nil by default unless the licensed undertaking, upon application to the Authority, can provide a valid cost model to support the recording and valuation of said tokens as an asset;
	(ii) Digital assets to be issued— The licensed undertaking shall disclose the total cost (and fair value, if available) of each digital asset, as well as the unit value and quantity. This also includes participation in simple agreement for future tokens; and
	(iii) Others— Other quoted investments not included above (e.g. alternative funds, which are publicly traded).
	The method of valuation must be described. Any encumbrance on quoted investments must also be disclosed.
3. Unquoted investments	There shall be disclosed severally -
	There shall be disclosed severally -
	(a) Bonds and debentures -
	(i) Held to maturity: quoted fixed maturities; and
	(ii) Other: unquoted fixed maturities shall be included here.
	(b) Equity investments -
	(i) Common stocks: investments in unquoted common shares;
	(ii) Preferred shares: investments in unquoted preferred shares; and

	(iii)	Mutual funds: investments in unquoted mutual funds, etc.
	(c)	Other quoted investments:
	(i)	Digital assets: The fair value and cost of each type of digital asset that the licensed undertaking is holding at the end of the relevant year. The licensed undertaking shall disclose the quantity of each type of digital asset held. Licensed undertaking-generated digital assets for future issuance or sales, which have been mined or minted but have not been issued yet, shall be valued at nil by default unless the licensed undertaking, upon application to the Authority, can provide a valid cost model to support the recording and valuation of said tokens as an asset;
	(ii)	Digital assets to be issued: The licensed undertaking shall disclose the total cost (and fair value if available) of each digital asset, as well as the unit value and quantity. This also includes participation in simple agreements for future tokens; and
	(iii)	Others: Other quoted investments not included above (e.g., alternative funds, which are publicly traded).
	The method of valuation must be described. Any encumbrance on unquoted investments must also be disclosed.	
4. Investment in and advances to affiliates	<p>Unconsolidated investment in affiliates shall include total investments in affiliates on an equity basis and be reflected in the statutory balance sheet.</p> <p>Advances to affiliates shall be carried at fair value and determined in good faith. If any amount is, in the opinion of the directors, uncollectible, that amount shall be deducted.</p> <p>For the purposes of this Schedule, an 'affiliate' refers to an entity as defined under Section 86 (3) of the <i>Companies Act 1981</i>.</p>	
5. Investments in mortgage loans on real estate	Residential and commercial investment loans shall be included here.	
	There shall be disclosed severally, indicating both the cost and fair value of -	
	(a)	First liens;
	(b)	Liens other than first liens; and
6. Equipment, net of depreciation	Disclose cost and accumulated depreciation and a general description of the equipment held, including expected useful lives.	
7. Real estate	Commercial investments occupied by the licensed undertaking shall be included here.	
	(i)	Occupied by the licensed undertaking (less encumbrances): both land and buildings and any other commercial investments occupied by the licensed undertaking shall be included here; and
	(ii)	Other properties (less encumbrances)-- other residential and commercial investments.
	The method of valuation; and (ii) where there are encumbrances, the value of the real estate before encumbrances, the amount and nature of the encumbrances and the repaying terms and interest rates applicable to the encumbrances shall be disclosed.	

9. Investment income due and accrued	Accrued investment income shall be included here.
10. Loans receivable	Description and amount of the loans receivable must be disclosed. The licensed undertaking shall also disclose the portion of the loans issued using digital assets, the amount, the terms and the valuation method used to determine fair value.
11. Receivable from clearing brokers	Disclose the nature and usual terms of business, indicating the expected collection or settlement period, whether it is within one year or beyond.
12. Other receivables from digital asset business	The licensed undertaking shall disclose the nature and amount of any amounts reported, disclosing whether the expected collection period is within one year or more. The licensed undertaking shall also disclose the valuation method used to determine fair value.
13. Sundry assets	The nature and terms of these assets. There shall be disclosed severally –
	(i) Derivative instruments with a favourable position shall be included here. Disclose the nature of the instrument and relevant terms as appropriate;
	(ii) Net receivables for investments sold;
	(iii) Goodwill and other intangibles– intangible assets can be recognised and measured at a value other than zero only if they can be sold separately, the expected future economic benefits will flow to the licensed undertaking, and the value of the assets can be reliably measured. These assets must be separable, and there should be evidence of exchange transactions for the same or similar assets indicating that they are saleable in the marketplace. If the value assessment of an intangible asset cannot be reliably measured, then such asset should be valued at nil;
	(iv) Other sundry assets (please specify);
	(v) Other sundry assets (please specify); and
	(vi) Other sundry assets (please specify).
14. Letters of credit, guarantees and other instruments	This shall be comprised of contractual rights arising from off-balance sheet arrangements to receive financial assets through letters of credit, guarantees and other instruments.
16. Contractual liabilities arising from digital asset issuance	<p>These consist of any contractual obligation to be settled in cash or other financial assets arising from the issuance of digital assets. This would include any contingent settlement provision to deliver cash or another financial asset that solely depends on the outcome of an uncertain future event, whether or not the licensed undertaking has the ability to settle the contractual obligation. The licensed undertaking shall disclose the total value of the obligation in fiat or the value and quantity of digital assets if the contractual obligation is to be settled as such.</p> <p>For digital assets issued with dual purposes, for example, a digital asset that can be exchanged for services or has a convertibility feature to ordinary shares at the holder’s discretion for a set rate, the licensed undertaking shall disclose a breakdown of the digital assets with a description of the privileges and rights, including the right to vote (if any), to receive future dividends or to convert said token into common or preferred shares.</p>
17. Commissions, expenses, fees and other taxes payable	Indicate the nature and terms of these payables here. The licensed undertaking shall also disclose where any portion of this liability is payable in digital assets, outlining the unit value and fiat conversion rate used.
18. Loans and notes payable	Loans and notes payable shall be included here. This shall include subordinated debt. The licensed undertaking shall also disclose where any portion of this liability is payable in digital assets, outlining the unit value and fiat conversion rate used.

19. Income tax payable	There shall be disclosed severally –	
	(a)	Income taxes payable; and
	(b)	Deferred income taxes.
20. Amounts due to affiliates	This shall be comprised of the affiliate’s name, repayment terms, rates of interest and the nature of collateral given, if any, on a per-instrument basis.	
	The licensed undertaking shall also disclose where any portion of this liability is payable in digital assets, outlining the unit value and fiat conversion rate used. For the purposes of this Schedule, an ‘affiliate’ refers to an entity belonging to the same group of companies of which the licensed undertaking is a part of.	
21. Accounts payable and accrued liabilities	All accounts payable and accrued liabilities shall be included here. The licensed undertaking shall also disclose where any portion of this liability is payable in digital assets, outlining the unit value and fiat conversion rate used.	
22. Dividends payable	All dividends payable shall be included here. The licensed undertaking shall also disclose where any portion of this liability is payable in digital assets, outlining the unit value and fiat conversion rate used.	
23. Sundry liabilities	There shall be disclosed severally:	
	(i)	Derivative instruments with an unfavourable position shall be included here.
		The licensed undertaking must also disclose a description of the policies surrounding the use of derivatives and the market value and nominal exposure of each derivative by the issuer with nominal exposure greater than 5% of the aggregate sum of the total quoted and unquoted investments. Disclosure should be separated between long and short positions.
	(ii)	Net payable for investments purchased;
	(iii)	Sundry liabilities (please specify); and
24. Letter of credit, guarantees and other instruments	This shall be comprised of contractual obligations arising from off-balance sheet arrangements to pay financial assets.	
	All contractual liabilities or contingent liabilities arising from off-balance sheet arrangements are reported in this line. A liability is recorded as decreasing the statutory capital and surplus equal to the present value of such contingent obligations discounted to consider the time value of money at an appropriate rate (to be disclosed). Where the present value of contingent obligations cannot be determined, the amount of the liability must be recorded at its undiscounted value.	
	There shall be disclosed severally –	
	i.	Letters of credit;
	ii.	Guarantees; and
	iii.	Other instruments.
26. Stockholders Equity	There shall be disclosed severally -	
	(i)	Common shares-- This shall comprise common shares issued by the licensed undertaking. The licensed undertaking shall disclose the par value and the number of shares authorised, issued and outstanding. The licensed undertaking shall also disclose any conversion provisions, if applicable.

26. Stockholders Equity (contd.)	(ii)	Preferred shares-- This shall comprise preference shares issued by the licensed undertaking. The aggregate liquidation value is also required to be disclosed. The licensed undertaking shall disclose par value and the number of shares authorised, issued and outstanding, including whether the shares are cumulative or non-cumulative.
	(iii)	Additional paid-in capital-- This shall comprise contributed capital in excess of par value. Contributions made to additional paid-in capital from shareholders shall be added to this line and capital distributions to common shareholders shall be deducted from this line.
	(iv)	Treasury shares-- This shall comprise treasury shares issued. The licensed undertaking shall disclose the number of shares and cost of treasury shares purchased.
	(v)	Retained earnings, beginning of the year--This shall be equivalent to retained earnings (deficit) at the beginning of the year.
	(vi)	Net income (loss) for the current period-- This consists of the net results of operations for the period ended.
	(vii)	Dividends declared for the current period-- This shall comprise all dividends declared during the relevant year, whether such dividends were or were not paid before the end of the relevant year. The licensed undertaking shall also disclose the amount and nature of any dividend paid during the relevant year that was other than a cash dividend, such as stock dividend or dividends in the form of digital assets.
	(viii)	Other comprehensive income (loss)-- This may include any unrealised appreciation (depreciation) of investments as well as changes in any other surplus. The licensed undertaking shall disclose the nature of such adjustments to any other surplus.

Schedule II
NOTES TO STATUTORY BALANCE SHEET
Matters to be set forth in a general note to the Statutory Balance Sheet

1	<ul style="list-style-type: none"> • Licensed undertaking information, including date of incorporation, licence and any regulatory approvals obtained in Bermuda or abroad, as well as products/services authorised under said licence(s) • The name of the shareholder controllers of the licensed undertaking • Changes to the shareholder controller(s), or to the place of the incorporation of a licensed undertaking's affiliates during the relevant year. In this regard, provide the date and details of such a change
2	<p>Description of the licensed undertaking's governance, risk management and internal controls, in relation to the following financial and control assertions, as applicable:</p> <ul style="list-style-type: none"> • Existence of digital assets reported in the balance sheet • Safekeeping and custody of digital assets • Segregation of client assets
3	<p>Summary of accounting policies adopted and the accounting standard upon which it is based, particularly with regards to:</p> <ul style="list-style-type: none"> • Fair value definition • Valuation methods and sources used in determining the fair value of digital assets, indicating the digital asset exchange used, the unrealised gain or loss borne by the licensed undertaking, if any, and the cut-off time used at the end of the relevant year • Active market definition • Any significant changes made during the relevant year to such policies and the effect, if any, of changes to the information contained in the financial statements
4	The basis of recognition of revenue from performing the digital asset business undertaking
5	<ul style="list-style-type: none"> • The currency in which amounts are shown in the licensed undertaking's statutory balance sheet and accompanying notes and whether that currency is the currency in which those amounts are required to be shown by paragraph 8 of the Digital Asset Business Account Rules • The rate or rates of exchange used in compliance with paragraph 8 for the purposes of financial information required by the Digital Asset Business Accounts Rules • The method used to translate amounts denominated in currencies other than the currency of the statutory balance sheet and accompanying notes; the amounts, if material, gained or lost on such translation; and the manner in which those gains or losses are recorded in those statements
6	Liquidity and capital resources
7	The gross amount of arrears of dividends on preferred cumulative shares and the date on which those dividends were last paid.
8	<p>Breakdown of investments based on the following fair value hierarchy:</p> <ul style="list-style-type: none"> • Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities that the reporting entity can access at the measurement date • Level 2: inputs other than quoted prices in active markets for identical assets and liabilities that are observable either directly or indirectly • Level 3: unobservable inputs

9	<p>The contractual maturity profile of the licensed undertakings' fixed maturity and short-term investments:</p> <ul style="list-style-type: none"> • Due within one year • Due after one year through to five years • Due after five years through to ten years • Due after ten years
10	<p>Related-party transactions should be disclosed detailing the:</p> <ul style="list-style-type: none"> • Nature of the relationship • Description of transactions (including transactions where no amounts or nominal amounts were ascribed) • Monetary amounts of transactions for each of the periods for which the licensed undertaking's financials are presented and the effects of any change in the method of establishing the terms from that used in the preceding period • Amounts due from or to related parties as of the date of each balance sheet presented • If not otherwise apparent, the terms and manner of settlement • The amount of any loan made during the relevant year by the licensed undertaking, to any director or officer of the licensed undertaking not being a loan made in the ordinary course of business
11	<p>Contingencies and commitments:</p> <ul style="list-style-type: none"> • The nature and amount of any material contingencies or commitments made by the licensed undertaking
12	<p>Subsequent events:</p> <ul style="list-style-type: none"> • Any transaction made or other event occurring between the end of the relevant year and the date of approval of the financial statements by the board of directors and materially affecting the financial statements, not being a transaction made or an event occurring in the ordinary course of business
13	<p>Any other information, in the opinion of the board of directors, that is required to be disclosed if the statutory balance sheet and accompanying notes are not to be misleading.</p>