



## **REEFS: Form Completion Guide**

VFR-051-84 – VASP Financial Quarterly Return Form

**Revision History:**

Effective Date	Version Number	Revision Description
December 2025	1.0	Initial release of documentation

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# 1 VASP Financial Quarterly Return Form – VFR-051-84

## Completion guide for the VASP Financial Quarterly Return Form

This Guidance Note is intended to assist Virtual Asset Service Providers (VASPs) licensed or registered under the Virtual Asset (Service Providers) Act (as revised) (the “VASP Act”) of the Cayman Islands in completing the Regulatory Return form submitted to CIMA. Its purpose is to ensure consistency, completeness, and regulatory compliance in the reporting of financial, operational, and risk-related information.

This Guidance Note applies to all entities carrying on VASP business from or within the Cayman Islands that are required to submit a regulatory return under the VASP Act. It is intended to be read in conjunction with the VASP Act, related Regulations, CIMA’s rules, and any further supervisory guidance issued.

Detailed instructions are provided to assist the regulated entities concerned on how to complete the Form, they are not provided for every field within the form.

### GENERAL INSTRUCTIONS

- All monetary values must be expressed in United States Dollars (USD).
- Use absolute values (no negative signs OR currency symbols)
- Where instructed, split amounts between Resident and Non-Resident clients per Cayman reporting definitions.
- Submit the Return via REEFS within the timeframe prescribed by CIMA.

## 1.1 TABLE OF SCHEDULES

- **Schedule A** - Authorisation Section
- **Schedule B** - Income Statement (Statement of Comprehensive Income & Expense)
- **Schedule C - Balance Sheet** (Statement of Financial Position)

## 2 A – AUTHORISATION – COMPLETION INSTRUCTIONS

This section serves as a formal attestation and is critical for accountability and regulatory assurance. Therefore, the certification statements must be confirmed by an authorised representative of the regulated VASP. It typically requires the respondent to confirm that the information provided is accurate and fully disclosed.

Entities must respond truthfully and accurately to each declaration by selecting either **"Yes"** or **"No"**. Where a response of **"No"** is selected, the respondent is required to provide an explanation for the exception and must provide details of any remediation plans or mitigating factors.

### A01 – Anti-Money Laundering (AML) / Know Your Customer (KYC) Practices

#### Instruction:

Confirm that any actual or suspected breaches, deficiencies, or non-compliance with the applicable Cayman Islands AML/CFT legal and regulatory framework (including the *Proceeds of Crime Act*, the *Anti-Money Laundering Regulations*, and associated CIMA Guidance Notes) have been appropriately disclosed to CIMA and other relevant stakeholders.

#### Scope includes (but is not limited to):

- Deficiencies in customer due diligence (CDD) or enhanced due diligence (EDD)
- Failures in ongoing monitoring or transaction surveillance
- Sanctions screening failures
- Internal or external findings of AML control weaknesses

### A02 – Significant Regulatory Violations or Legal Actions

#### Instruction:

Confirm whether all ongoing or potential legal disputes, regulatory enforcement actions or formal warnings, investigations or compliance issues—whether domestic or international—has been taken against the VASP, its senior officers, directors, or ultimate beneficial owners, which may impact the entity's business and reputation have been appropriately disclosed to CIMA and other relevant stakeholders.

### A03 – Risk Management and Internal Controls

#### Instruction:

Confirm whether all actual or suspected instances of fraud or misappropriation of funds have been disclosed accurately and completely to CIMA and all other relevant stakeholders.

### A04 – Fair Value Measurement of Virtual Assets

#### Instruction:

Confirm whether the methodologies employed measure the fair value of virtual assets including the treatment of unrealised gains/losses, particularly where such valuation impacts solvency have been disclosed accurately and completely to CIMA and all other relevant stakeholders.

## **A05 — Cybersecurity Incidents**

### **Instruction:**

Confirm whether any actual or suspected material cybersecurity incidents — including, but not limited to, data breaches, network intrusions, denial of service attacks, or ransomware events — impacting the VASP during the reporting period have been disclosed accurately and completely to CIMA and all other relevant stakeholders.

## **A06 — System Downtime or Transaction Failures**

### **Instruction:**

Confirm whether there were any significant incidents of service unavailability, system outages, or transaction processing failures that impacted customer operations or market integrity have been disclosed accurately and completely to CIMA and all other relevant stakeholders.

## **A07 — Liquidity and Solvency**

### **Instruction:**

Certify that the entity continues to meet its financial obligations as they fall due, operates as a going concern, and that any indicators of financial distress, including liquidity shortfalls or funding concerns, have been disclosed accurately and completely to CIMA and other stakeholders as relevant.

## **A08 — Ownership and Governance Structure**

### **Instruction:**

Confirm that any changes in the entity's ownership, control, board of directors, or senior management have been disclosed accurately and completely to CIMA and all other relevant stakeholders in accordance with the requirements of the VASP Act and best business practices.

## **A09 — Major Changes in Business Model or Product Offerings**

### **Instruction:**

Confirm whether any actual or proposed material changes to the business model, service delivery structure, product suite offerings (e.g., introduction of new virtual assets, staking, lending, or DeFi services), or geographical expansion plans have been disclosed accurately and completely to CIMA and all other relevant stakeholders.

## **A10 — Related Party Transactions**

### **Instruction:**

Confirm whether all material related-party transactions (including those with parent companies, affiliates, directors, or significant shareholders) have been disclosed accurately and completely to CIMA and all other relevant stakeholders and documented in accordance with accounting and governance standards.

## A11 — Legal Proceedings

### Instruction:

Confirm whether all material ongoing or pending legal proceedings that may present a financial or reputational risk to the VASP, its clients, or the stability of its operations have been disclosed accurately and completely to CIMA and all other relevant stakeholders.

## A12 — Significant Events After Reporting Period

### Instruction:

Confirm whether any material post-reporting events which could affect the interpretation of the financial or risk position have been disclosed accurately and completely to CIMA and all other relevant stakeholders. Examples include but are not limited to insolvency of a major counterparty, macroeconomic events, or material changes in market value of held virtual assets.

## 3 B – INCOME STATEMENT – COMPLETION INSTRUCTIONS

All monetary values must be expressed in United States Dollars (USD). Only use absolute values (no negative signs or currency symbols).

Total column is tallied automatically.

Data should be segmented between Resident and Non-Resident activity, where applicable. Noting that Residents and non-residents are determined by their period of residency and economic activity, and not by nationality or currency. Residents comprise of those individuals and businesses that reside, have physical presence, or engage in significant economic activity in the Cayman Islands. Non-residents comprise of those individuals and businesses that do not reside, or reside for less than one year, have no physical presence, and do not engage in economic activity in the Cayman Islands.

Income Statement		Resident	Non-Resident	Guide
<b>Revenue</b>				
B01	Transaction Fees			Fees earned from executing virtual asset transactions
B02	Withdrawal Fees			Charges on withdrawing fiat or virtual assets
B03	Custody Services Fees (including software services)			Fees for safekeeping / wallet services
B04	Staking Rewards			Income from delegated staking services
B05	Subscription Fees			Recurring access or license fees
B06	Trading Revenue			Proprietary trading profits (if applicable)
B07	Exchange Fees (VA to VA)			Fees from virtual-asset to virtual-asset trades
B08	Exchange Fees (VA to Fiat)			Fees from virtual-asset ↔ fiat trades
B09	Spread Income			Revenue from bid-ask spread margins
B10	Advisory Fees			ICO fees, listing and consulting fees, token offering and/or issuance fees, and token valuation services.
B11	Interest Income from Lending			Interest earned from lending or financing arrangements
B12	Token Sale Commissions			Commissions from facilitating primary token sales
B13	Other Income			Miscellaneous revenues not captured above
<b>B14</b>	<b>Total Revenue</b>			<b>Sum of inputs in line item B01-B13</b>

<b>Expenses</b>				
B15	Compensation & Benefits			Salaries, bonuses, benefits, and payroll-related costs, including social security contributions
B16	Custodial Service Fees			Fees paid to custody service providers and digital wallet infrastructure vendors
B17	Technology & Security Costs			Cloud hosting, cybersecurity, system maintenance, licensing, and IT infrastructure
B18	Trading Expenses			Market access fees, trading commissions, liquidity provisioning costs, and execution slippage
B19	Transaction Processing Fees			Blockchain network fees (e.g. gas), fiat payment processing, settlement, and clearing costs
B20	Token Issuance/Offering Expenses			Legal, audit, marketing, and development expenses related to ICOs or new token launches
B21	Depreciation & Amortization			Accounting charges for depreciation of tangible and amortization of intangible assets
B22	Crypto Asset Impairment			Losses due to permanent or significant declines in fair value of proprietary crypto holdings
B23	Research & Development			Product innovation, platform enhancements, and smart contract development costs
B24	Legal & Compliance Costs			Legal counsel, compliance consulting, AML/CFT implementation, and licensing fees
B25	Marketing & Advertising			Online marketing, influencer partnerships, sponsorships, and customer acquisition expenses
B26	Professional Services			Auditor, tax advisor, consultant, and valuation specialist fees
B27	Provision for Credit Losses			Loan write-offs, credit loss allowances, or protocol exposure due to counterparty defaults
B28	Other Expenses			General administrative costs not elsewhere classified (e.g., rent, insurance, travel, utilities)
<b>B29 Total Operating Expenses</b>				Sum of lines B15 through B28
<b>B30 Operating Income</b>				B14 (Total Revenue) minus B29 (Total Operating Expenses)
<b>Non-Operating Income/Expenses</b>				
B31	Gains from Cryptocurrency Investments (Realised)			Realised profits from sale of virtual assets, token holdings, or other investments
B32	Losses from Cryptocurrency Investments (Realised)			Realised losses from disposal of investments or virtual assets
B33	Interest Income			Interest earned on treasury holdings, deposits, or non-operating lending activities
B34	Interest Expense			Interest paid on borrowings, credit facilities, or debt instruments not tied to core operations
B35	Unusual or Non-Recurring Items			Material one-time events such as legal settlements, insurance recoveries, restructuring charges, etc.
B36	Pre-Tax Income			Sum of B30 (Operating Income) plus/minus B31 through B35
B37	Income Tax Expense			Provision for corporate tax, withholding tax, or other tax obligations (if applicable)
<b>B38 Net Income</b>				<b>B36 minus B37; Final net profit or loss for the reporting period</b>



## 4 C – BALANCE SHEET – COMPLETION INSTRUCTIONS

All monetary values must be expressed in United States Dollars (USD). Only use absolute values (no negative signs or currency symbols).

Total column is tallied automatically.

Data should be segmented between Resident and Non-Resident activity, where applicable. Noting that Residents and non-residents are determined by their period of residency and economic activity, and not by nationality or currency. Residents comprise of those individuals and businesses that reside, have physical presence, or engage in significant economic activity in the Cayman Islands. Non-residents comprise of those individuals and businesses that do not reside, or reside for less than one year, have no physical presence, and do not engage in economic activity in the Cayman Islands.

Balance Sheet		Resident	Non-Resident	Guide
<b>Assets</b>				
<b>Current Assets</b>				
C01	Cash and Cash Equivalents			Cash balances and highly liquid assets held by the entity, including client funds held in segregated or operational accounts, as applicable to the VASP's business model.
C02	Accounts Receivable			Client crypto balances held on custodial or omnibus wallets, not proprietary to the VASP
C03	Cryptocurrencies Held for Trading			Crypto assets owned by the VASP (e.g., BTC, ETH, stablecoins), excluding customer funds
C04	Virtual Asset Holdings (Company Treasury)			Virtual assets held as long-term reserves, treasury strategy, or liquidity management by the VASP.
C05	Virtual Assets in Escrow (Pending Settlements)			Crypto-assets temporarily held in escrow or smart contracts pending settlement finality or execution.
C06	Crypto assets held as collateral (VASP's own assets)			Proprietary crypto assets pledged as collateral in support of loans, margin obligations, or trading position.
C07	Deferred Tax Asset			Recognised future tax benefit from deductible temporary differences or tax losses, where applicable.
C08	Operating lease right-of-use-asset			Asset(s) representing the right to use leased property or equipment over a leased term.
C09	Loans Receivable (Crypto Loans)			Short-term loans extended to clients or third parties (e.g., DeFi or CeFi lending exposure)
C10	Prepaid Expenses			Prepaid insurance, rent, software licenses, or regulatory fees not yet consumed.
<b>C11</b>	<b>Total Current Assets</b>			<b>Sum of lines C01 through C10</b>
<b>Non-Current Assets</b>				
C12	Software Development Costs (if capitalized)			Internal software, protocol development, or platform buildouts capitalized under accounting rules
C13	Goodwill			Excess of purchase consideration over fair value of net assets acquired in a business combination.
C14	Property, Plant, and Equipment (net)			Tangible fixed assets: servers, security hardware, IT infrastructure, office equipment (used in operations), net of depreciation.

C15	Intangible Assets (Blockchain Tech)			Software licenses, acquired or brand IP, or other amortizable non-physical assets, patents related to business.
C16	Investments in DeFi Protocols/Partnerships			Strategic stakes or long-term investments in blockchain protocols, DAOs, or utility tokens not held for trading or resale.
C17	Investments (including Long-term Crypto Holdings, Equity method investments)			Non-current holdings in tokens, funds, or equity interests where significant influence exists or otherwise.
<b>C18</b>	<b>Total Non-Current Assets</b>			<b>Sum of lines C12 through C17</b>
<b>C19</b>	<b>Total Assets</b>			<b>Sum of lines C11 and C18</b>
<b>Liabilities and Shareholders' Equity</b>				
<b>Current Liabilities</b>				
C20	Accounts Payable			Amounts owed to vendors, contractors, or service providers for goods or services already received.
C21	Deferred Revenue (prepaid services)			Amounts received in advance for services not yet rendered (e.g. subscriptions, staking, custody fees).
C22	Customer Crypto Liabilities			Crypto balances owed to customers for custodial, trading, or settlement purposes (if applicable).
C23	Crypto Asset Borrowings			Borrowings by the VASP denominated in virtual assets, including structured loans or margin positions.
C24	Obligation to return collateral			Liability to return fiat or crypto assets pledged by customers or third parties under contractual arrangements.
C25	Short-Term Debt			Borrowings or financial obligations due within 12 months, whether in fiat or crypto.
C26	Accrued Expenses			Operating expenses incurred but not yet paid, such as payroll, legal, audit, or system costs.
C27	Customer Deposits			Fiat or crypto deposits made by clients for use of the platform or services, not yet drawn or settled.
C28	Customer Custodial Cash Liabilities			Liabilities related to fiat held on behalf of clients in segregated custodial accounts.
C29	Safeguarding Customer Crypto Liabilities			Crypto assets held under safeguarding arrangements for clients under applicable regulatory obligations.
<b>C30</b>	<b>Total Current Liabilities</b>			<b>Sum of lines C20 through C29.</b>
<b>Non-Current Liabilities</b>				
C31	Long-Term Debt			Borrowings or financial obligations due in more than 12 months.
C32	Deferred Tax Liabilities			Future tax liabilities arising from taxable temporary differences (if applicable).
<b>C33</b>	<b>Total Non-Current Liabilities</b>			<b>Sum of lines C31 and C32.</b>
<b>C34</b>	<b>Total Liabilities</b>			<b>Sum of lines C30 and C33.</b>
<b>Shareholders' Equity</b>				
C35	Common Stock			Paid-in capital from shareholders; nominal value of issued shares.
C36	Retained Earnings			Cumulative net income retained in the entity after dividends and distributions.
<b>C37</b>	<b>Total Shareholders' Equity</b>			<b>Sum of lines C35 and C36.</b>
<b>C38</b>	<b>Total Liabilities and Equity</b>			<b>Sum of C34 and C37; must equal C19 (Total Assets)</b>

## 5 REUSING PREVIOUS SUBMISSIONS

### What is “XBRL”?

XBRL (eXtensible Business Reporting Language), is a standards-based way to communicate and exchange business information between business systems.

Data can be used from previous **VFR-051-84** form instead of starting blank from. You must have entered data into at least one form using the online portal and have successfully validated it.

- Example: Rapidly re-using a previous **VFR-051-84** form.

Process:

1. Select “**Submitted Filings**” to view previously submitted forms and select the one that contains the data.
2. Click on “**Download: XBRL Instance**” in the top right corner and save the file to your PC or network drive.
3. Close the form.
4. Select “**Filings**” and open the filing for which the XBRL Instance is to be utilised. (e.g. VFR-051-84).
5. Click on “**Upload: XBRL Instance**” in the top right corner.
6. Click on “**Browse...**” and navigate to the file that was saved in step 2 above (usually in the “**Downloads**” folder).
7. Click “**Upload**”.
8. The system will then copy each data point from the XBRL file into the fields of the current form.
9. The system displays the message “**Import Successful**” to indicate that the data was all copied OK.
10. The user can then review and alter the data as required. Note that any file attachments are not copied in by the download and upload processes.
11. Proceed as usual through the rest of the validation process.

These instructions can be used for **New Application forms, Change Request forms** and **Financial Returns**.

## 6 TROUBLESHOOTING

Validation '**Errors**' will prevent the submission of a form; however, '**Cautions**' do not.

If you are receiving errors that you do not understand, please ensure you download the XBRL file as set out in section 5 above. After downloading the XBRL file, please select 'Clear All Values' from the form menu in the top right-hand corner. Using the Clear All Values feature will clear all responses and remove any uploaded attachments. Once cleared, you can resume completing the submission. If you are still experiencing technical difficulties, please send an email to the [VASPInfo@cima.ky](mailto:VASPInfo@cima.ky) including your username and a screen shot of the error message



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