Explanatory notes on proposed revisions to CAR return for BCAR 2025

MA(BS)3 Capital Adequacy Ratio

Part IIIf: Risk-weighted Amount for Credit Risk (Additional Risk-weighted Amount for Cryptoasset Exposures)

Division	Item	Remarks
A	Group 1 Cryptoasset Exposures	
A.1	Infrastructure risk add-on	
	1	To report the infrastructure risk add-on for group 1 cryptoasset exposures that are assigned to the banking book, in the form of a risk-weighted amount, as required by the Monetary Authority in a written notice, in accordance with the new section 380 of the Banking (Capital) Rules (BCR) as introduced through the Banking (Capital) (Amendment) Rules 2025 (BCAR 2025). The exposures and the level of the add-on will be specified in the written notice.
	2	To report the total of add-ons reported in Item 1.
A.2	Risk-weighted amount for the risk of default of the redeemer or the risk arising when intermediaries perform the redemption function (For group 1b cryptoasset exposures that are assigned to the trading book)	
	1	To report the risk-weighted amount for credit risk associated with the redemption feature of group 1b cryptoasset exposures assigned to the trading book, as required by the new section 376 of the BCR as introduced through the BCAR 2025.
	2	To report the total of risk-weighted amounts reported in Item 1.
B	Group 2 Cryptoasset Exposures	
B.1	Risk-weighted amount for the risk of default of the redeemer or the risk arising when intermediaries perform the redemption function (For group 2a cryptoasset exposures that relate to stablecoins and are assigned to the trading book)	
	1	To report the risk-weighted amount for credit risk associated with the redemption feature of stablecoins that are classified as group 2a cryptoasset exposures and assigned to the trading book, as required by the new section 384 of the BCR as introduced through the BCAR 2025.
	2	To report the total of risk-weighted amounts reported in Item 1.
B.2	Risk-weighted amount for group 2b cryptoasset exposures	
	1	To report the risk-weighted amount for each group 2b cryptoasset as required under the new section 385 of the BCR as introduced through the BCAR 2025. The risk-weighted amount is inclusive of the add-on,

Division	Item	Remarks
		if required by the Monetary Authority, in accordance with the new section 385(4). For the portion or sub-portion of an CIS exposure that is classified as a Group 2b cryptoasset exposure, the resulting capital requirements should be captured in this Division.
	2	To report the total of risk-weighted amounts reported in Item 1.
C	Group 2 Cryptoasset Exposure Ratio and Add-on	
	1	To report the group 2 cryptoasset exposure ratio as specified in the new section 387 of the BCR as introduced through BCAR 2025. This item is applicable to all locally incorporated AIs.
	2	To report the add-on as required in the new section 388 of the BCR, as introduced through BCAR 2025, which is applicable to G-SIBs and D-SIBs only.