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Keynote Speech
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**New trends and
developments in
regulation and
investor protection**

CySEC's VISION AND MISSION



Enhance the Cyprus securities market to make it one of the safest and most reliable investment destinations in Europe and internationally



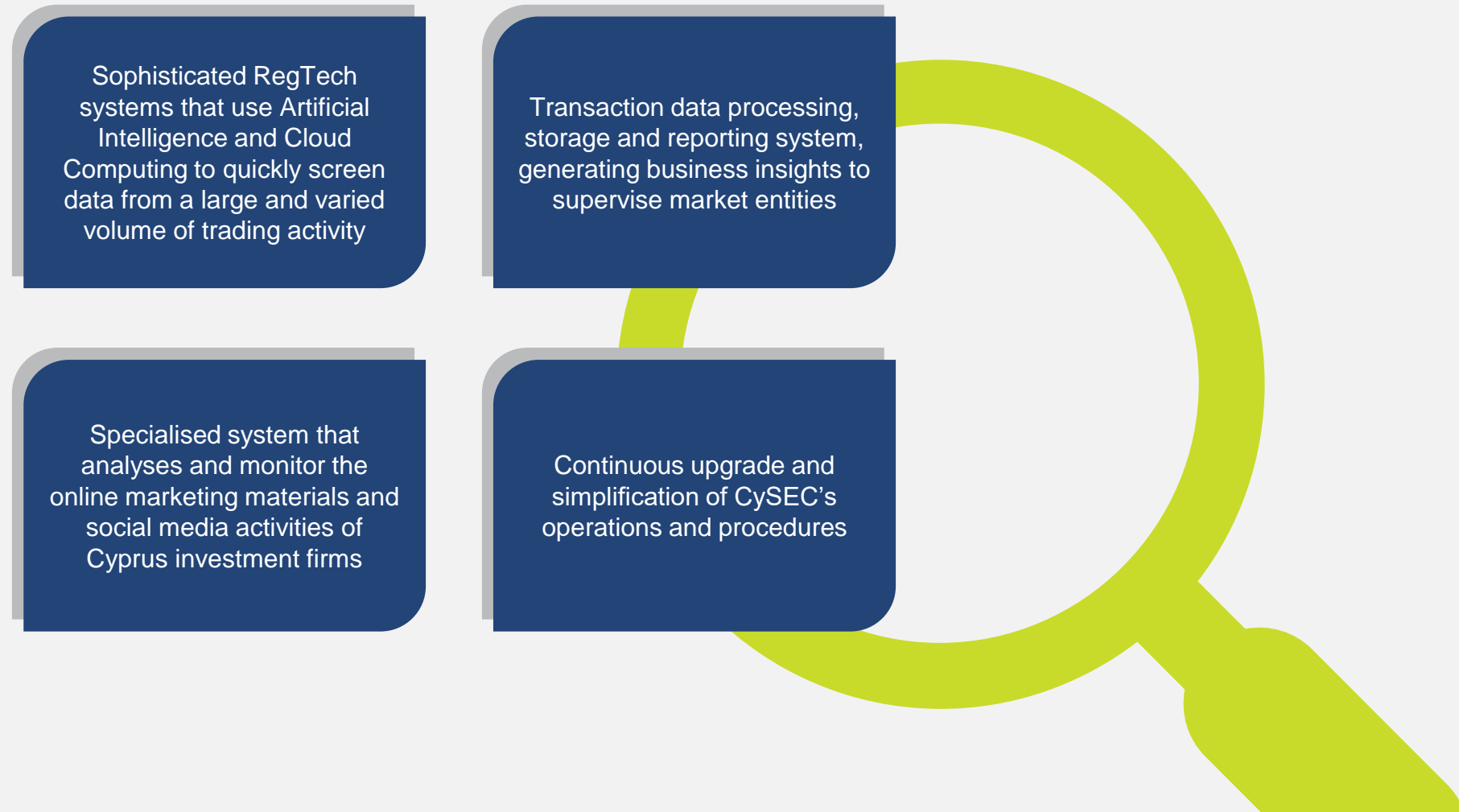
Exercise effective supervision to ensure investor protection and the healthy development of the securities market

INTRODUCTION



- Imperative to balance the adoption of new technologies against the threats inherent in innovation
- Our markets are moving through some of the greatest upheavals seen in recent years
- Financial markets are becoming more accessible and with this rising level of retail activity, regulators must be able to respond to emerging threats
- Under MiCA, Europe becomes the first continent to regulate crypto
- Beyond MiCA, better cooperation and coordination is still required for consumer protection, financial literacy, AML/CFT, cyber and digital engagement

NEW TOOLS AND SUPERVISION

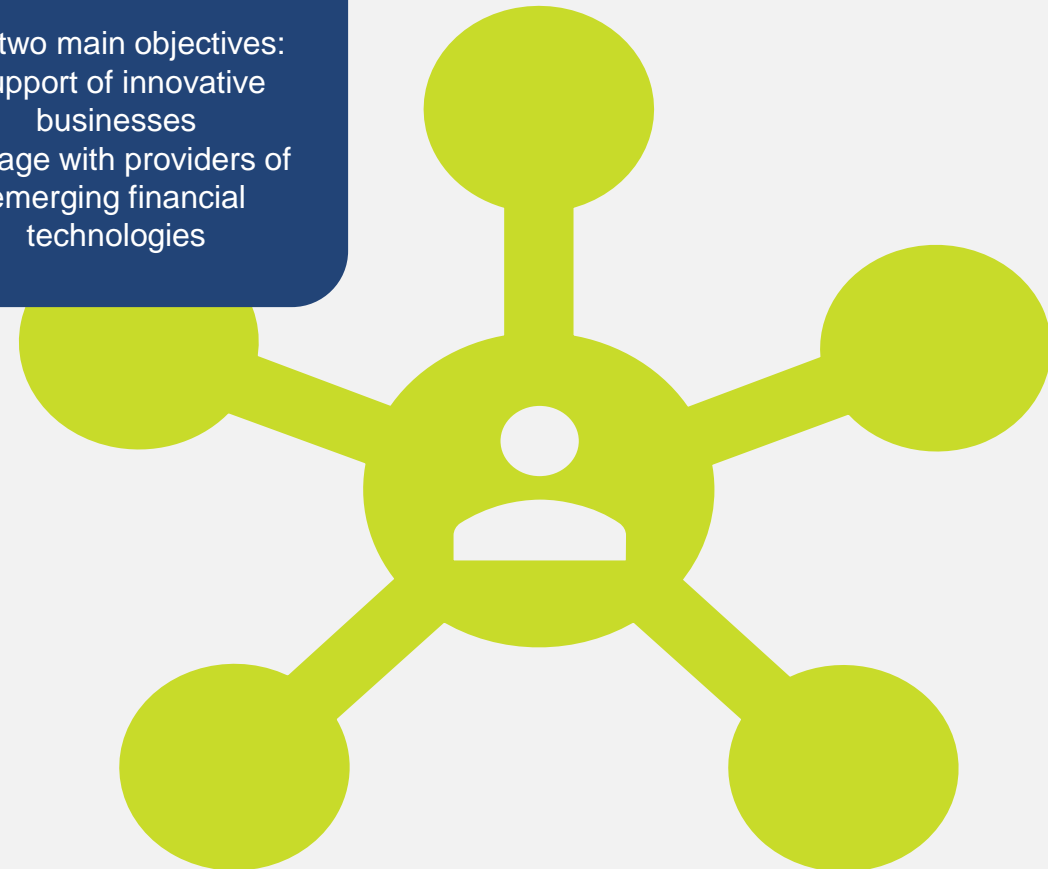


The Innovation Hub was established in late 2018

It has two main objectives:

- Support of innovative businesses
- Engage with providers of emerging financial technologies

Launch of new Regulatory Sandbox to provide controlled environment for fintech start-ups and other entities to test their products or services in real conditions under the regulator's supervision.



- ESMA's landmark Markets in Crypto Assets (MiCA) regulation will be implemented by the end of 2024. It represents a major step forward for the protection of investors in the financial markets
- While the EU's forward-thinking initiative is to be applauded, the global market for crypto and digital assets remains volatile and largely unregulated
- Outside of the EU, approaches to cryptocurrencies, speed of action, services and products and even terminology differ significantly, creating a heavily fragmented system
- Better cooperation and coordination arrangements between financial supervisors and other authorities still need to be developed – not just to ensure we follow the same rules under MiCA, but also on matters of consumer protection, AML/CFT, cyber and our engagement with digital platforms

OTHER REGULATORY CHALLENGES

CySEC is the competent Authority for the Crypto Assets Services Providers, which oversees solely on AML

- European Regulation on digitalisation and operational resilience in the financial sector - DORA (Digital Operational Resilience Act)
- DLT Pilot Regime Regulation
- Legislative proposals on combating money laundering and terrorist financing at EU level:
 - Establishment of a European Anti-Money Laundering and Terrorist Financing Authority (AMLA)
 - Extending existing rules on funds transfer services to crypto-asset transactions

Adoption of new technologies must be balanced against the threats that are inherent in innovation and the risks they can pose to market participants

OTHER REGULATORY CHALLENGES

The emerging challenges related to technological innovation are expected to be addressed

- Retail Investment Strategy
- MiFIR review proposals focus on improving market transparency
- Emir Refit
- Capital Markets Union
- European single access point, ESAP
- EU-wide consolidated tape for trading and post-trading data

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CLOSING REMARKS

- Financial technology is creating new risks while creating new opportunities for businesses
- CySEC is fully committed to supporting these exciting developments and to ensuring that these applications are delivered in a way in which investors are protected
- We contribute at National, EU and Global levels to give Cyprus a strong voice, within the framework of EU regulation through ESMA and international decision making and discussion forums
- CySEC's priority remains to make the Cyprus securities market a safe and secure place to do business through maintaining high standards of investor protection, investor confidence and supporting the healthy development of the market with new products and services



ΕΠΙΤΡΟΠΗ
ΚΕΦΑΛΑΙΑΓΟΡΑΣ
ΚΥΠΡΟΥ

CYPRUS SECURITIES AND EXCHANGE COMMISSION

THANK YOU