

PRESS RELEASE

Cyprus Securities and Exchange Commission Strengthens Financial Market Supervision

Robust supervision, strict sanctions, and digital upgrades implemented in 2025 remain key objectives for 2026 ahead of Cyprus' EU Presidency

Nicosia, 21 January 2026 – In an environment of increased regulatory complexity, rapid technological evolution, and significant geopolitical uncertainties, the Cyprus Securities and Exchange Commission (CySEC) reinforced its role as a guardian of market confidence in 2025 and is preparing for 2026, marked by Cyprus' assumption of the Presidency of the Council of the European Union.

The Chairman of CySEC, Dr. George Theocharides, presented the Commission's 2025 review and strategic priorities during a press conference today, emphasizing that investor protection, transparency, and the resilience of the financial sector remain at the core of CySEC's mission.

Dr Theocharides said: "CySEC continues to approach supervision with consistency, evidence, and adaptability, investing in strengthening both its regulatory and supervisory frameworks, as well as in transparency, technology, and financial literacy."

Active Role in the EU Presidency

Preparation for Cyprus' EU Presidency in the first half of 2026 was a key priority throughout 2025. CySEC officials actively participated in managing significant European legislative proposals, including the Market Infrastructure Package, the Retail Investment Strategy, and the revision of the Sustainable Finance Disclosure Regulation (SFDR). CySEC is additionally responsible for hosting the meetings of the ESMA Management Board and the ESMA Board of Supervisors in April 2026, confirming Cyprus' strengthened role in the development of European market supervisory framework.

"CySEC sees the Cyprus Presidency as another opportunity to make a substantive contribution to the European dialogue in shaping a modern, reliable, and resilient framework for the EU capital markets," Dr. Theocharides added.

Intensive Inspections and Strict Supervisory Measures

In 2025, CySEC conducted approximately 600 on-site and off-site inspections of Cyprus Investment Firms (CIFs), as well as extensive reviews of asset managers, collective investment entities, issuers, and market infrastructures. Supervision focused on professional conduct, sustainability risks, data

quality, capital adequacy, and compliance with MiFID II, DORA, and MiCA, as well as emerging challenges such as the promotion of investment products by influencers (finfluencers).

Special attention was also given to the prevention of money laundering, with 43 thematic inspections and enhanced monitoring of compliance with EU restrictive measures, particularly concerning Russia.

As a result of these supervisory actions, administrative fines and settlements totalling approximately €2.3 million were imposed in 2025, bringing the total for the past three years to €7.3 million. In addition, corrective actions were requested in over 170 cases, licenses were suspended or revoked, and trading of certain securities on the Cyprus Stock Exchange was halted.

Cases were also referred to the Attorney General, MOKAS, and the police, while CySEC actively participates in the preparation of the new European AML Authority (AMLA) and in implementing the new national sanctions framework through the National Sanctions Implementation Unit.

At the same time, CySEC issued dozens of warnings to alert the investing public regarding unauthorized online entities and strengthened awareness campaigns to protect citizens from digital fraud.

Development, Digital Transformation, and Human Resources

Despite a challenging economic environment, 47 new licenses were approved in 2025, bringing the total number of supervised entities to 808. Assets under management in collective investment schemes reached €11.4 billion, a significant portion of which was invested in the Cypriot economy.

CySEC also accelerated its digital transformation, investing in new IT systems, data analytics tools, artificial intelligence, and cybersecurity, with a substantial enhancement of human resources planned for 2026.

Investor-Centric Approach

Financial literacy remained a central pillar of CySEC's work, with campaigns in schools, universities, and digital media, participation in international initiatives, and the development of new educational material to promote safe navigation in the digital financial environment.

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