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**TO** : Crypto-asset service providers and applicant crypto-asset service providers

**FROM** : Cyprus Securities and Exchange Commission

**DATE** : 16 February 2026

**CIRCULAR NO.** : C756

**SUBJECT** : Dual licensing of CASPs under PSD2

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Further to its circular [C722](#), the Cyprus Securities and Exchange Commission ("CySEC") herewith wishes to inform crypto-asset service providers<sup>1</sup> ("CASPs") and applicant CASPs, that on February 3 2026 the Central Bank of Cyprus ("CBC") has published an [Announcement](#) following the European Banking Authority's ("EBA") [Opinion](#) on the interplay between Directive (EU) 2015/2366<sup>2</sup> ("PSD2") and Regulation (EU) 2023/1114<sup>3</sup> ("MiCA Regulation") in relation to CASPs transacting electronic money tokens ("EMTs").

According to the CBC's announcement, CASPs are requested to conduct a self-assessment on whether the crypto asset services offered qualify as payment services, as per the provisions of the No Action letter, and are therefore subject to licensing from the CBC, unless other arrangements with an eligible PSP are made. In case a CASP needs authorisation as a payment institution to be able to provide the services defined above, the relevant application form needs to be completed and submitted to the CBC.

Furthermore, as per the CBC's announcement, CASPs **already offering** the specific crypto-asset services related to EMTs which qualify as payment services must submit a relevant application for authorisation to the CBC **by 20 February 2026**. The EBA will issue in due time further guidance on the implications to the CASPs once the transitional period provided in the No Action Letter ends on 1 March 2026.

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<sup>1</sup> [CySEC MiCA crypto asset regulated entities](#) and [Crypto entities](#) operating under the national transitional regime, until July 1, 2026, according to the provisions of Article 143(3) of MiCA Regulation.

<sup>2</sup> Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market, amending Directives 2002/65/EC, 2009/110/EC and 2013/36/EU and Regulation (EU) No 1093/2010, and repealing Directive 2007/64/EC.

<sup>3</sup> Regulation (EU) 2023/1114 of the European Parliament and of the Council of 31 May 2023 on markets in crypto-assets, and amending Regulations (EU) No 1093/2010 and (EU) No 1095/2010 and Directives 2013/36/EU and (EU) 2019/1937.

CySEC encourages interested parties to consult the full document of the CBC's announcement and take the appropriate actions to comply with and inform CySEC accordingly.

Sincerely,

Dr. George Theocharides  
Chairman  
Cyprus Securities and Exchange Commission