

PRESS RELEASE

Financial technology and sustainable development are among the biggest challenges facing financial markets, say regulators

Cyprus Securities and Exchange Commission hosts meeting with Hellenic Capital Market Commission to exchange views on upcoming legislation and common challenges

Nicosia, 28 February 2024 – The Cyprus Securities and Exchange Commission (CySEC) and the Hellenic Capital Market Commission (HCMC) discussed the challenges facing the European markets at a first of its kind meeting in Nicosia.

Dr George Theocharides, Chairman of CySEC, highlighted the rapid development of financial technology and demand for sustainable investments which he said were significantly reshaping the global investment landscape, and require close supervision. Both regulators welcomed the implementation of the Markets in Crypto-Assets Regulation (MiCA) to create uniform market rules for crypto-assets later this year and the Digital Operational Resilience Act (DORA), which aims to strengthen the operational resilience of the financial sector.

The roundtable discussion - "The legislative framework under discussion in the EU and the *impact of technology on the investment sector*" - with Dr Vasiliki Lazarakou, Chair of the HCMC, examined the opportunities and risks associated with the adoption of financial technologies and new ESG investments, including greenwashing, and underscored the importance of the role of regulators to protect investors.

Welcoming Dr Lazarakou to Cyprus, Dr Theocharides said he hoped the discussion would be the first of many with other regulators. "Important changes to financial legislation, alongside risks posed by the rapid development of new technologies and the demand for more sustainable investment products emphasize the need for regulatory authorities to work collaboratively to enhance their effectiveness and address common challenges" he said.

Dr Lazarakou said: "Economic activity is drastically changed by technological developments, especially in the area of capital markets, and therefore it is necessary for supervisory authorities to adapt to a digital environment to live up to their role with reliability and efficiency. The protection and equal treatment of investors remains the key priority for authorities who are now being called upon to act in interconnected markets. Therefore, a

framework for cross-border cooperation between them is needed. The cooperation between the Cyprus Securities and Exchange Commission and the Hellenic Capital Market Commission ensures speed in the exchange of information and the robust management of supervisory issues."

The meeting at the Hilton Nicosia was attended by the Minister of Finance, Makis Keravnos, the Deputy Minister to the President, Irene Piki, members of the Standing Committee of Finance and Budgetary Affairs and other government officials and interested parties of the sector.

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