

## ANNOUNCEMENT

### CySEC's position on allegations against CIFs

Following allegations made by the Mayor of Paphos over links between foreign exchange companies in Cyprus and Latin American drug cartels, a spokesperson for CySEC said:

“The foreign exchange (forex) market is a decentralised network of banks, brokers and other financial institutions that facilitate currency transactions. A market that is the biggest and most liquid in the world where financial groups hold multiple licenses in different jurisdictions. Whilst there is no central oversight body for the entire forex market, CySEC’s responsibility as the national regulatory body is to supervise domestic forex trading investment firms in Cyprus to ensure that they are in strict compliance, among others, with the EU Markets in Financial Instruments Directive (MiFID II) and the latest EU AML Directives and Regulations. There are severe penalties and enforcement actions for non-compliance.

It is within the scope of this responsibility that CySEC is taking practical steps to gather all available data and information from relevant bodies before making a decision on whether or not further investigation into the claim is required. CySEC fully collaborates and exchanges information with domestic, European and international bodies including ESMA, EBA, AMLA, MoneyVal, FATF and National Competent Authorities.

Our priority is the protection of investors and the preservation of the credibility and transparency of the Cypriot capital market.”

**Nicosia, 02 June 2025**