

8 March 2021

PRESS RELEASE

CySEC reinforces its commitment to fostering compliance with sustainable finance standards

Nicosia, Cyprus – In line with the EU action plan for financing sustainable growth, the Cyprus Securities and Exchange Commission (**“CySEC”**) has confirmed its commitment to fostering compliance with sustainable finance standards.

In preparation for the new Sustainable Finance Disclosures Regulation (EU) 2019/2088 (**“SFDR”**), which becomes applicable on 10 March 2021, CySEC has created a dedicated section on its website on sustainable finance (accessible [here](#)), which also provides information on SFDR. SFDR provides more transparency on sustainability within the financial markets and is expected to affect a large proportion of the financial services industry in Cyprus.

Sustainable finance encapsulates the process of including environmental, social and governance (**“ESG”**) considerations into decision making and investment advice processes. Environmental considerations include climate change mitigation and adaptation, the preservation of biodiversity, pollution prevention and circular economy. Social considerations include equality, inclusiveness, labour relations, investment in human capital and communities and human rights issues.

Demetra Kalogerou, Chair of CySEC said: *“There is global recognition that ESG investing is becoming increasingly important and CySEC gives priority to developing and supervising sustainable finance standards for all financial services organizations. In this way, Cyprus is keen to stand as a beacon of sustainable economic development in the region.”*

“We have been clear that supervised entities must ensure full compliance with the SFDR disclosure obligations and with their ESG responsibilities in general, and we will challenge firms and take action where we see a risk of mislabelling, misrepresenting or misselling in relation to sustainable finance to protect consumers and prevent them from being misled.”

Further details can be found on the CySEC website [here](#).

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