



PRESS RELEASE

Cyprus After The Crisis – Challenges and Opportunities

**Speech by the Chairman
of the Cyprus Securities and Exchange Commission
at the Cyprus-Russia Business Forum**

In his speech at the Cyprus–Russia Business Forum organized today in Nicosia, the Chairman of the Cyprus Securities and Exchange Commission, Mr. Georgios Charalambous, referred to and analysed the challenges and the opportunities for the Cyprus financial sector after the international financial crisis.

Mr. Charalambous referred to the events that sustained the positive growth of the Cyprus financial sector, albeit the outbreak of the international crisis and explained a number of factors that contributed to the good performance of the financial industry. Specifically, he made reference to the accession of Cyprus to the European Union and the harmonization of national legislation with the European legal and supervisory framework, the development of a more competitive and efficient securities market, the increased interest of foreign organisations to obtain a licence for the provision of investment services through Cyprus, as well as the amicable co-operation between Cyprus and Russia.

While providing an analysis of the prospects and opportunities of the financial sector, Mr. Charalambous commented on the positive evaluation of the Cyprus Securities and Exchange Commission by international organisations, as well as the aspiration to make Cyprus a credible regional financial centre in the Middle East. The challenges that have to be faced, according to Mr. Charalambous, can be put in two broad categories: the transposition of extensive new directives into Cyprus legislation, and the effective and timely implementation of the new legal framework which entails development of expertise at supervisory level.

The opportunities that have to be exploited, according to Mr. Charalambous, can again be put in two broad categories: to build on the new common EU regulatory framework which will be comprehensive and cover a wider scope and thus secure the confidence and trust of the market participants, and to capitalize on the comparative advantages that Cyprus can offer as a regional financial centre

Summing up, Mr. Charalambous pointed out that the new EU legislative measures in place are opening a window of opportunity for Cyprus to realize its vision not only to become, but to

excel as a regional financial centre. “We expect that as a result of the recent financial crisis, the persisting imbalances and the funds accumulated by countries running sizeable surpluses and experiencing remarkable growth rates (Russia, China, oil producing countries) will be recycled through countries with good infrastructures which can support further development.”

In his concluding remarks, the Chairman of the Cyprus Securities and Exchange Commission said that “We are very optimistic that Cyprus, given the excellent relationship it has with these countries, as well as its comparative advantages, is very well placed to take advantage of these movements.”

Nicosia, 7th October 2010