

## STATEMENT ON THE REGULATORY FRAMEWORK

**Following recent media reports, the Cyprus Securities and Exchange Commission (CySEC) would like to clarify the following:**

The Cyprus Securities and Exchange Commission (CySEC) wishes to unequivocally affirm that the regulatory framework governing the Investment and Capital Markets Sector in the Republic of Cyprus is fully aligned with European Union law. This does not merely constitute a regulatory obligation, but a strategic choice aimed at ensuring transparency, mitigating risks, and reinforcing the effective functioning of the market

Since Cyprus' accession to the EU in 2004, all relevant legislation and regulatory provisions are bound to the EU acquis, with CySEC committed to maintaining a supervisory framework that is reliable, transparent, and functionally comparable to that of all other EU member states.

The procedures for assessing, licensing, and supervising obliged entities are implemented in accordance with EU directives and regulations, without exceptions or derogations. Compliance with the European supervisory framework is a non-negotiable principle for CySEC, as we work to maintain trust in the Cypriot capital market and support the attraction of investments under conditions of legality and sound governance. This is clearly reflected in the positive evaluations the Sector has received from European and international bodies, such as ESMA and MONEYVAL — assessments which CySEC welcomes, as they contribute to the continuous enhancement and strengthening of the sector.

CySEC's active participation in specific working groups at EU-level on the implementation of the new AML Package, demonstrate its commitment to the timely transposition of the new measures into national law.

**Nicosia, 25 September 2025**