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New Rules for Crypto-Asset Service Providers (CASPs) in Cyprus: Key Updates

The Cyprus Securities and Exchange Commission (CySEC) has made an important announcement regarding regulating Crypto-Asset Service Providers (CASPs). Here's what you need to know:

- 1. Transition to EU's MiCA Regulation** As of 30/12/2024, the European Union's Markets in Crypto-Assets Regulation (MiCA) will come into full effect for CASPs. This regulation aims to create a clear framework across the EU for the operation of crypto-asset services, enhancing investor protection and market integrity.
- 2. What Happens During the Transitional Period?** CySEC has set a transitional period for CASPs already operating under current national rules. Suppose a CASP is registered before 30/12/2024. In that case, it can continue to offer services until 1/7/2026, or until it receives a decision on its application for authorization under MiCA, whichever comes first.
- 3. No New Applications Under National Rules** Starting from 17/10/2024, CySEC will no longer accept new applications for CASP registration under the existing national framework. All new applications will need to comply with the MiCA requirements once the regulation is fully in place.
- 4. Preparation for MiCA Applications** CySEC is awaiting the finalization of the Regulatory and Implementing Technical Standards (RTS and ITS) by the European Commission. Once these are released, CySEC will publish guidelines on how to apply for authorization under MiCA. In the meantime, interested parties can refer to draft

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technical standards by the European Securities and Markets Authority (ESMA) to get a head start on their preparations.

5. **Cross-Border Services** For entities that are already providing crypto-asset services across the European Economic Area (EEA), the deadline to submit notifications to CySEC under the current rules is 30/10/2024. After this date, new cross-border service notifications will not be processed until MiCA is fully in effect.

These changes mark a significant shift in how crypto-asset services are regulated, aiming for more consistent rules across Europe. Entities currently offering these services should make sure they understand the new requirements and prepare for the transition to ensure compliance. For more details, you can refer to CySEC's official announcement.

These updates represent a key step in aligning Cyprus's crypto regulations with the broader EU framework, ensuring a smooth transition for CASPs and enhanced protection for users across the region.

In case you have any questions or need any assistance, please do not hesitate to [contact us](#) for further professional assistance.

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