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# Fintech Regulation in Cyprus: What Companies Should Know in 2025

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Fintech businesses in Cyprus operate under a comprehensive EU-aligned regulatory framework rather than a standalone national regime. The specific rules that apply to a fintech depend on the nature of the services it provides—whether investment services, payment services, crypto-asset activities, or electronic money issuance.

To operate in Cyprus, fintech firms must comply with frameworks such as the MiFID II legislation for investment services, PSD2 for payment services, the Electronic Money Directive, AML/CFT rules, and the full MiCA regime for crypto-assets. Additional EU-level rules such as DORA, the Crowdfunding Regulation, and the DLT Pilot Regime further shape operational obligations.

MiCA is especially pivotal for 2025. Cyprus has decided to apply the full transitional period for existing CASPs, allowing them to adapt their operations and meet MiCA's requirements while maintaining business continuity. Under MiCA, CySEC will supervise crypto-asset service providers and most crypto issuers, while the Central Bank will oversee electronic money tokens.

CySEC continues to invest in advanced supervisory tools, including blockchain analytics platforms and AI-driven monitoring systems capable of reviewing online marketing campaigns in numerous languages. These tools aim to enhance market surveillance and ensure consumer protection.



Cyprus has also established regulatory innovation channels, including CySEC's Innovation Hub and Regulatory Sandbox, as well as the Central Bank's Innovation Hub. These platforms enable fintech firms to engage early with regulators and clarify licensing obligations before launching new products.

For cross-border operations, Cyprus remains an attractive jurisdiction due to its EU passporting rights. Fintech firms authorised in Cyprus can extend their services across all EU Member States through a single licence. This capability has driven many fintechs—especially payments companies, crypto platforms, forex firms, and technology providers—to establish operations on the island.

With strong regulatory alignment, an open innovation culture, and a robust ecosystem of financial and technology professionals, Cyprus offers a solid foundation for fintech firms seeking both compliance and scalability.

### **How We Can Assist You**

Our firm provides end-to-end regulatory and legal support to fintech companies entering or operating in Cyprus, including:

- Licensing under MiCA, MiFID II, PSD2, and EMI/PI frameworks
- Regulatory gap analyses and audit preparation
- Compliance documentation, policies, and internal controls
- Crypto-asset structuring and MiCA readiness assessments
- Advice on outsourcing, onboarding, AML/KYC, and digital identity
- Ongoing compliance and legal advisory for scaling operations

We help fintech innovators navigate complex regulation while enabling sustainable, compliant growth.

Feel free to contact us at [info@apapageorgiou.com](mailto:info@apapageorgiou.com) for further professional assistance.

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