Conference Cryptocurrency, Digital Assets and the Future of Finance Summit

Crypto Assets: Market Trends and First MiCA Lessons

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Structural Transformation

Financial markets are undergoing structural change driven by digitalisation and innovation

- Crypto assets are increasingly integrated into the financial system
- This reflects a shift in market structure and investment access
- Institutionalisation is accelerating via regulated products (ETFs / ETPs)

Crypto Markets: Institutionalisation

Spot Bitcoin & Ethereum ETFs are a major milestone

Crypto ETPs:

$140–155bn

Assets under management

Crypto evolved from experimentation to institutional adoption

Increasing participation from financial institutions and asset managers

Regulated custody and trading infrastructure are key enablers

ETFs as Market Infrastructure

~$20

trillion

Assets under management

ETFs are now core to global capital markets

Key functions: liquidity, price discovery, capital allocation

Rapid growth in active, thematic, ESG and crypto ETFs

Crypto exposure increasingly accessed via ETF structures

Tokenisation

Tokenisation = **financial assets issued** on **distributed ledger technology**

Significant long-term market potential (multi-trillion scale)

Early use cases: bonds, funds, money markets, real assets

Key benefits: efficiency, transparency, fractional ownership

Key challenges: legal certainty, custody, infrastructure

EU Regulatory Framework

MiCA

provides first comprehensive EU crypto framework. Enhances legal certainty and supervisory convergence. Focus on market integrity and investor protection

Part of broader EU agenda

DORA, Listing Act, Retail Investment Strategy

Objective

Integrated and resilient capital markets

United States Developments

- Market-driven innovation approach
- Strong institutional ecosystem and deep capital markets
- Rapid growth of spot Bitcoin & Ethereum ETFs
- Increasing mainstream integration of digital assets
- Growing focus on stablecoins and market structure

Europe vs United States

01

Europe

- Harmonised regulatory framework (MiCA)
- Legal certainty from the outset
- Supervisory convergence across Member States
- Integrated Single Market for financial services

02

United States

- Market-driven approach to innovation
- Incremental regulatory development
- Strong institutional participation
- Deep and highly liquid capital markets

03

Common Direction

- Digitalisation of financial markets
- Growth of tokenisation
- Institutional adoption of crypto assets
- Need for international regulatory cooperation

Role of Regulators

Regulating Innovation in a Changing Financial Landscape

Regulation and innovation must evolve in parallel

Technology-neutral regulation: focus on risks, outcomes and market behaviour

Proportional regulation: protect investors while enabling innovation

International cooperation: supervisory convergence is essential for global financial stability

Regulation should enable innovation in an orderly, transparent and trustworthy way

CySEC & Cyprus: Supporting the Future

Cyprus is strategically positioned as a bridge between traditional and digital finance.

Strong regulatory framework aligned with EU standards. Growing focus on fintech, digital assets and new market infrastructures.

CySEC's role:

- Protect investor confidence,
- Promote market integrity,
- Support sustainable financial innovation

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Closing Message

Trust remains the foundation of financial markets

By aligning innovation with responsibility, we build more resilient, inclusive and future-ready financial systems

Thank you

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