Towards a More Integrated European Funds Market



Loukas Lagoudis
Vice Chairman
Cyprus Securities and Exchange Commission

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Market integration, governance and investor protection

A stronger European funds market needs simpler rules and effective supervision.

Our priorities:

- consistent EU rules
- accountable governance
- robust safeguards for investors

The EU Policy Landscape: The Market Integration & Supervision Package (MISP)

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Greater cross-border flexibility

- More consistent authorisation and passporting
- Simpler intra-group delegation
- Optional cross-border depositaries

These proposals aim to reduce fragmentation and improve predictability across the EU.

Accountability and safeguards

- Fund managers remain responsible
- National authorities retain oversight
- Stronger supervisory coordination

The Council position is not final; European Parliament negotiations still lie ahead.

AIFMD II & MISP: Key Changes for the Funds Industry

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AIFMD II

Enhanced delegation oversight
Stronger liquidity risk management requirements
New framework for loan-originating funds
Expanded supervisory reporting
Reinforced governance and substance requirements

MISP

Operational simplification
Resource sharing within EU groups
Greater supervisory convergence
More consistent cross-border supervision

More flexibility for firms, but greater responsibility and transparency

Three messages for firms and service providers

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Positive Findings

- ✔ Strong governance structures
- ✔ Effective compliance and internal audit functions
- ✔ Board engagement and reporting processes

Areas for Improvement

- ⚠ Slow implementation of regulatory changes
- ⚠ Succession planning weaknesses
- ⚠ Overreliance on outsourced internal audit providers

Prepare for supervision

Depositary oversight, Risk management frameworks, Governance effectiveness, Operational resilience and Investor protection


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THANK YOU