

Chief Scientist Opening Address - Cyprus Fintech Summit 2025

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Ladies and gentlemen, distinguished guests, innovators, founders, investors, and colleagues shaping the future of financial technology,

Good morning.

It is an honour to open the Cyprus Fintech Summit 2025 at a moment when global financial systems are undergoing the most profound transformation of our era. We have moved beyond the stage where digitisation alone could define competitiveness. Today, artificial intelligence is becoming the underlying architecture of finance and the unseen engine that powers payments, compliance, customer experience, risk, credit decisions, trading systems, and market supervision. Across every jurisdiction, the pressures are the same: more complexity, stricter regulation, more data, and less time. Intelligence is no longer optional. It is the foundation of modern financial infrastructure.

Yet as financial technology becomes more powerful and more AI-driven, the answer is not to become less human. The more advanced our systems become, the more essential empathy, judgment, ethics, critical thinking, creativity and curiosity become. AI can accelerate tasks, but it cannot define values. It can generate insight, but it cannot establish purpose. These responsibilities remain human, and they remain central.

Cyprus does not stand outside this transformation. Our fintech sector has matured into a major pillar of our digital economy. Cyprus is home to one of the largest clusters of European investment and fintech firms operating under MiFID, MiCA, PSD2 and DORA. Our FX, CFD and investment-platform industries are among the most established and regulated in Europe. We are a significant base for regtech, compliance technology and supervisory technology companies serving EU markets. The payments sector in Cyprus is growing faster than the EU average, driven by strong adoption of e-payments, open banking and embedded finance. And increasingly, Cyprus is positioning itself as an EU-aligned testbed for financial innovation and regulatory sandboxes, where innovation can be developed with the ability to confidently test solutions and validate compliance with regulations and guidelines.

This is happening at a time when fintech itself is expanding into new frontiers. Digital assets are moving into the institutional space. On-chain finance and real-world-asset platforms are being integrated into the infrastructures of banks, exchanges and payment companies. Embedded finance, instant payments and open-banking APIs are reshaping how value moves. Compliance-by-design is becoming a competitive advantage. And Europe's regulatory frameworks, from MiCA and DORA to PSD3 and instant payments legislation, are setting a new global standard. Cyprus is not observing these developments from a distance. We are participating in them, providing an environment where fintech innovation can be created, tested and scaled with trust.

Our rise in the global innovation landscape reflects this momentum. Earlier this year, Cyprus climbed into the Top 40 of the StartupBlink Global Startup Ecosystem Index, achieving the strongest improvement among all EU member states. The Best Global Climb Award presented to the Research and Innovation Foundation recognises the collective progress of founders, researchers, regulators and investors who have chosen to build in Cyprus. At the same time, our macroeconomic fundamentals have strengthened significantly. Cyprus regained full investment-grade status from Moody's, S&P and Fitch for the first time in thirteen years. Our economy grew by 3.4 percent in 2024, one of the highest rates in the eurozone. Unemployment is at its lowest point since 2008. Public debt is falling steadily. And ICT now contributes around fourteen percent of our GDP, a remarkable achievement for a small nation and a clear signal of where our competitive future lies.

Fintech sits at the intersection of these strengths. The sector is evolving from digital services into intelligent, actionable and deeply personalised financial experiences. We see this in real-time onboarding, instant payments, AI-augmented KYC, continuous risk monitoring, automated treasury operations, and advanced trading and liquidity platforms. As the World Economic Forum notes, fintech has secured its role alongside traditional institutions. And as KPMG emphasises, the winners of the next decade will be the companies capable of delivering speed, trust, intelligence and personalisation, built on robust data foundations and aligned with regulation.

AI will accelerate much of this change, but it is important to understand why. One of the most powerful impacts of AI is its ability to democratise access to information, insight and decision support. This matters for fintech. It means high-quality analytics and personalised intelligence are no longer reserved for global institutions. Smaller firms can innovate faster. Consumers gain more transparency and better financial outcomes. And entrepreneurs can build cross-border financial solutions with unprecedented speed and accessibility. The future of finance will not be defined by the largest balance sheets, but by the smartest pipelines of intelligence.

At the centre of this evolution is a resource more valuable than ever before: data. For years, we spoke of data as the new oil. But in fintech, data is closer to jet fuel. When it is structured, harmonised, secured, and enriched with intelligence, it does not simply power operations; it lifts business models into entirely new trajectories. The institutions and ecosystems that treat data as jet fuel will be the ones that define the next generation of financial services.

None of this reduces the importance of people. In fact, it elevates it. The future of finance is not humans versus machines. The future is humans and machines together. Humans plus AI will outperform either alone. When AI handles the routine and time-intensive tasks that once absorbed so much human capacity, leaders gain something priceless: time. Time to mentor, to guide, to inspire. However, we must also recognise the reality of AI anxiety felt by many professionals. Part of responsible leadership is ensuring that our people are supported through this transition, equipped with new skills, and empowered rather than marginalised by the technologies we adopt.

This is why culture, skills and continuous learning are central to our national strategy. Strategy in the age of AI is not only about investing in technology. It is about investing in people. It is about giving fintech founders, engineers, compliance teams, risk officers, product designers and financial professionals the tools to adapt, grow and innovate. It is about ensuring that the next generation of Cypriot talent can build world-class solutions from here, and that experienced professionals can reinvent themselves for the future, rather than be overtaken by it.

At the national level, our first AI strategy laid the foundations in 2020. Today, through the National AI Taskforce mandated by the Council of Ministers, we are building the next phase that is focused on practical, high-value adoption paths for Cyprus between 2025 and 2030. This taskforce brings together foresight leaders, researchers, technologists, industry experts and legal specialists to address a critical question: how do we create and capture value for Cyprus in an intelligent age? We are not trying to do everything. We are focused on targeted use cases across public and private sectors, building the right infrastructure, and embedding governance and ethics from the start.

The same disciplined mindset must guide our fintech evolution. Cyprus can specialise in the areas where we are strongest: supervisory and regulatory technology, digital identity, cybersecurity for financial systems, instant payments and open-banking infrastructure, tokenised finance, and AI-powered compliance. These domains align with our talent base, our business environment, and the needs of the European and global markets we serve.

At the heart of all of this is a simple conviction: Cyprus must champion the people building the future of finance. Innovation grows when a nation chooses to support its builders. As Chief Scientist and Chair of the National AI Taskforce, I see fintech as a strategic pillar of our country's future. The companies you build, the products you export, and the infrastructure you develop all strengthen Cyprus and expand our global footprint.

Cyprus is at a turning point. We have regained economic credibility. We have one of the fastest-growing innovation ecosystems in Europe. We have a fintech sector with genuine depth and global ambition. We have a digital state that is accelerating rapidly. And we have a national commitment to intelligence, trust and human-centric innovation.

Our country may be small in size, but we are not small in direction. We are becoming a place where intelligence meets opportunity, where innovation has purpose, and where the financial systems of tomorrow can be built. A place where young people can pursue world-class technological careers without leaving our shores, and where experienced professionals can reinvent themselves with confidence. Our future is bright not because it is inevitable, but because we are choosing it. We are choosing it deliberately, ambitiously, and together.

If we continue to move with purpose, innovate with courage, and support the builders of our fintech future, then Cyprus will not only participate in the global fintech revolution. Cyprus will help define it.

Thank you, and I wish you all a productive and inspiring summit.