GECMUN XIII

BACKGROUND GUIDE

CCPCJ

Combating the impact of transnational crime networks utilizing cryptocurrency

SDG: 16: Peace, Justice, and Strong Institution

Authored by Nero Ho, Zoey Kim, Sophia Chang

March 5-6th, 2027

Last updated on October 17th, 2026

Table of Contents

Table of Contents	2
Committee Introduction	3
Agenda Introduction	4
Letter from the Chairs	5
Key Terms	6
Historical Background	6
Current State of Affairs	8
Stances of Parties	9
Possible Solutions	10
Questions to Consider	11
Bibliography	12

Committee Introduction

What is the CCPCJ? Why was it created?

The Commission on Crime Prevention and Criminal Justice (CCPCJ) was established in 1992 by the United Nations Economic and Social Council (ECOSOC) through Resolution 1992/1. It replaced the former Committee on Crime Prevention and Control in order to strengthen the United Nations' efforts against the raising challenges of transnational crime, corruption, and weaknesses in criminal justice systems.

The Commission serves as the principal policymaking body of the United Nations on crime prevention and criminal justice. It provides a platform for Member States to discuss emerging criminal threats, exchange best practices, and develop international strategies that promote justice, public safety, and the rule of law.

What issues does the CCPCJ handle?

The Commission addresses a broad range of issues related to crime prevention and criminal justice, including:

- Transnational organized crime
- Human trafficking and migrant smuggling
- Cybercrime and technology-enabled crime
- Terrorism-related criminal justice measures
- Corruption and financial crimes
- Violence against women and children
- Prison reform and offender rehabilitation
- Juvenile justice
- Victim protection and access to justice
- International law enforcement cooperation

As criminal activities continue to evolve alongside globalization and technological advancements, the CCPCJ regularly examines new and emerging threats while promoting criminal justice policies worldwide.

What is the purpose of the CCPCJ?

The primary purpose of the CCPCJ is to help Member States create safer societies by promoting crime prevention strategies and strengthening criminal justice systems.

To achieve this, the Commission:

- Develops international policies and recommendations on crime prevention.
- Facilitates cooperation between Member States in combating crime.
- Promotes the rule of law and respect for human rights within criminal justice systems.
- Oversees the implementation of United Nations standards and conventions related to crime prevention.

- Works closely with the United Nations Office on Drugs and Crime (UNODC) to coordinate international efforts against crime.

Rather than enforcing laws directly, the CCPCJ serves as a forum where countries debate and collaborate to develop common approaches to global criminal justice challenges.

Examples of actions taken by the CCPCJ

Throughout its history, the Commission has played a significant role in advancing international crime prevention efforts. Some notable examples include:

- Developing the United Nations Standards and Norms in Crime Prevention and Criminal Justice, which provide guidance on fair and effective criminal justice systems.
- Supporting the implementation of the United Nations Convention against Transnational Organized Crime (UNTOC) and its accompanying protocols on human trafficking, migrant smuggling, and illicit firearms.
- Contributing to international efforts against cybercrime through discussions on legal cooperation, digital evidence, and capacity-building.
- Promoting prison reform, alternatives to incarceration, and rehabilitation programs to reduce recidivism.
- Encouraging Member States to strengthen victim protection, witness support, and access to justice.

The Commission also adopts resolutions each year that guide future international cooperation and encourage countries to implement best practices.

What makes the CCPCJ unique?

Unlike many other MUN committees, the Commission on Crime Prevention and Criminal Justice (CCPCJ) is a functional commission under the United Nations Economic and Social Council (ECOSOC). Rather than responding to immediate crises or settling legal disputes, the Commission focuses on developing international policies and promoting cooperation to strengthen crime prevention and criminal justice systems.

Several characteristics distinguish the CCPCJ:

- Policy-focused: Unlike the International Court of Justice (ICJ), which issues legal judgments, the CCPCJ develops resolutions, recommendations, and international standards that guide Member States in improving crime prevention and criminal justice.
- No crisis simulation: Unlike crisis committees, the CCPCJ does not respond to rapidly changing events or issue crisis directives. Delegates instead focus on negotiating practical, long-term solutions to complex international issues.
- No veto power: Unlike the Security Council(SC), the CCPCJ cannot authorize sanctions or the use of force, and no Member State possesses veto power over committee decisions.
- Close cooperation with UNODC: The Commission serves as the governing body of the United Nations Crime Programme and works closely with the United Nations Office on Drugs and Crime (UNODC), helping shape international strategies against crime.

Agenda Introduction

The issue of cryptocurrency began to appear during the 2010s, when there were minimal frameworks and regulations around the oversight of cryptocurrency. The borderless and nationless nature of cryptocurrency allows vast amounts of capital to flow across borders without governments having a single clue about the origin or the destination. This presents a unique jurisdictional issue where no singular government or country possesses the power to govern, halt, or enforce any regulations on cryptocurrency as a whole. This means that the issue of cryptocurrency is a global problem. Because of the nature of cryptocurrency, it is extremely appealing to Transnational Organized Crime (TOC) groups. These groups can funnel the money towards illegal activity such as human trafficking, drug trafficking, and more without government detection. Cryptocurrency also significantly lowers the cost of operations for criminal organizations. Traditionally, TOC groups have to rely on mules to physically smuggle cash or bribe government officials to transport large sums of cash. But with cryptocurrency, millions of dollars could be compressed into a digital coin that could be sent across the globe in seconds, making the cost significantly lower and the speed way faster. According to a report by the Technical Reference Model (TRM), the illicit crypto volume reached an all-time high of USD 158 billion in 2025, up nearly 145% from 2024. The market for illegal use of cryptocurrency will only continue to increase with minimal regulations to govern the issue.

Apart from the issue of cryptocurrency, organized crime also happens to be a borderless problem. TOC groups often have operations spanning across the globe; unlike traditional mafia families, they often operate with groups of clans, funneling illicit banned goods such as firearms, drugs, and others. TOC groups also operate human trafficking operations. The human trafficking business is currently a 32 billion dollar operation and is engaged in arms and drug smuggling operations. Apart from that, these trafficked individuals are also engaged in forced labor activities such as scamming operations in Cambodia; some are even being used for sexual work. These TOC groups target lower-income families as part of their operations. With a decentralized operation model, it is much harder for the government to combat the issue of organized crime. The United Nations Office on Drugs and Crime (UNODC) stated, “Organized crime is borderless…The international community needs to scale up its capacity to build partnerships and strengthen cross-border judicial and law enforcement cooperation.” The need for the global community to establish a global framework to tackle the issue of TOC and cryptocurrency is critical. The delegates must take into consideration the stances of different countries to come up with a global framework to tackle TOC groups using cryptocurrency to fund such organized crimes.

Letter from the Chairs

Dear Delegates,

My name is Nero Ho. I'm currently a sophomore studying at American School in Taichung, and it is my profound honor to serve as your head chair for this year's CCPCJ committee here at GECMUN XIII alongside Zoe and Sophia. GECMUN XIII would mark my 18th conference at the time of writing this, and I can say it has truly been a blast. From being a timid delegate to someone willing to raise his placard non-stop, MUN has truly changed who I am. Before this conference, I want you to keep in mind that you don't need to worry about how others perceive you or whether your speech makes sense. I want you to use all your imagination and creativity to actively participate in the debate and ask the chairs as many questions as you have, whether during the conference or before the conference. I wish you all the best in your preparation for this conference, and I look forward to witnessing all the debates.

Sincerely,

Nero Ho | 29neroh@ast.tc.edu.tw

—

Dear Delegates,

This is Zoey Kim. I am currently a senior at Korea International School, Pangyo Campus. I will be serving as your Deputy Chair at the upcoming GECMUN XIII conference. This is my third year participating at GECMUN and I am very pleased to invite you to this year's conference.

In our committee Commission on Crime Prevention and Criminal Justice, we will address the rising global issue, the misuse of cryptocurrency and its connections to transnational crime. While chair reports and UN policies provide a good foundation, I encourage delegates not to limit themselves and think beyond existing frameworks or initiatives. Chairs are looking for both creative and effective solutions.

For the novice delegates, even though you feel that your words or ideas are imperfect, I highly recommend that you actively participate and explore the committee. All three of us chairs also had our first conference once, and thus you have my full support and understanding. For the experienced delegates, I invite you to approach the conference with more openness and ingenuity. Whether you are a novice or an experienced delegate, I hope this conference will present you with a meaningful experience that challenges your academic curiosity. If you have any questions please feel free to contact me.

Thank you for your effort and participation. I look forward to witnessing your outstanding performance.

Warm Regard,

Zoey Heejin Kim | zkim27@student.kis.or.kr

—

Dear Delegates,

My name is Sophia, a sophomore at Hsinchu County American School, Taiwan. It is my utmost honor to serve as the Associate Chair of the CCPCJ at GECMUN XIII alongside Nero and Zoey. I first joined MUN in seventh grade, and over the years, it has become one of the highlights of my high school experience. MUN has not only helped me develop my public speaking, teamwork, and global awareness, but has also introduced me to so many incredible people from different schools. As we begin this conference, CCPCJ addresses issues that have a real impact on communities around the world, so don't be afraid to think creatively and contribute your perspective. And don't worry if this is your first conference or if you're nervous about speaking up. Every experienced delegate was once a beginner, and everyone starts somewhere. The most important thing is to participate, challenge yourself, and enjoy the experience. I hope everyone leaves this conference with new friendships, greater confidence, unforgettable memories, and, most importantly, have fun! Can’t wait to see you all at GECMUN XIII!

Best,

Sophia Chang | 291015@hcas.com.tw

Key Terms

Disarmament

The reduction or withdrawal of military forces and weapons.

Transnational Organized Crime

Transnational Organized Crime(TOC) is borderless criminal activities that are operated by groups with decentralized network systems in numerous countries. Exploiting variance of national laws and confined international cooperations, TOCs are enhanced with cryptocurrency.

Cryptocurrency

Cryptocurrency is a form of digital currency that takes advantage of decentralized blockchain networks. Contrasting with government issued currency, it enables rapid and low cost international transactions without intermediates. Granted, having no central authority to regulate leaves it vulnerable for wrongful abuses. The question of how to prevent its misuse while preserving its rightful economic benefits is for society, and delegates, to answer.

Blockchain

Despite providing security for legitimate transactions, blockchain may be exploited by criminal organizations for illicit financing internationally due to its accessibility, because any individual can establish cryptocurrency wallets without authorized institutions.

Money Laundering

In order to profit as a criminal organization, the money laundering process is essential to disguise its illegal origin. A surged use of cryptocurrency as a mechanism for the process facilitated international organized crime.

Virtual Asset Service Provider

Virtual Asset Service Provider(VASP) is a business that serves as an intermediary customer and cryptocurrency. Some governments utilize VASP to reduce crime associate with cryptocurrency by pressuring them to implement policies, such as customer identification and transaction monitoring. VASP regulation is one of the common international approaches.

Financial Action Task Force

The organization established in 1989 that developed the international standards for cryptocurrency regulation.

Travel Rule

FATF recommendation which requires VASP to collect identifying information of transactions to facilitate investigations of law enforcements and discourage anonymous transfers. Expanding implementation of the Travel Rule is open for delegates to debate.

Decontralized Finance

The financial service without traditional intermediaries, lacking central operators.

Know Your Customer

The process by institutions and VASP to verify customers in order to allow them for transactions. KYC has a similar function as Travel Rule.

Anti-Money Laundering

Laws and regulations that are designed to inhibit disguising of illegal funds through measures such as transaction monitoring, suspicious activity reporting, and international cooperation. AML can be strengthened to serve as frameworks in combating organized crime through cryptocurrency.

Historical Background

The historical background can take multiple forms, for instance a chronological timeline or a descriptive paragraph. Still, this part should include the following:

Context/Cause

The misuse of cryptocurrency by transnational organized crime networks is a relatively recent issue that developed alongside two major global trends: the expansion of organized crime across national borders and the rapid growth of digital financial technologies. As criminal organizations became increasingly international, they look for faster and more efficient ways to move illicit funds. At the same time, the emergence of cryptocurrencies created new opportunities for transferring money across borders, making it more difficult for governments and law enforcement agencies to investigate and combat these activities. The following timeline highlights the major developments that have shaped the evolution of transnational crime networks' use of cryptocurrency and the international community's growing recognition of the issue.

Year	**Historical Development**	**Significance**
1980 - 1990s	Globalization accelerated international trade, transportation, and communication, allowing criminal organizations to expand beyond national borders.	Traditional organized crime groups gradually evolved into transnational criminal networks engaged in activities such as drug trafficking, human trafficking, arms smuggling, and money laundering. Their cross-border operations made international cooperation increasingly necessary.
2000	The adoption of the United Nations Convention against Transnational Organized Crime (UNTOC) reflected growing international recognition that organized crime had become a global challenge.	Although cryptocurrency had not yet emerged, the Convention established the legal foundation for international cooperation against transnational criminal organizations.
2008	An individual or group using the name Satoshi Nakamoto published a proposal for Bitcoin, introducing the concept of a decentralized digital currency.	The proposal introduced blockchain technology, enabling peer-to-peer digital transactions without relying on banks or other central authorities. Bitcoin was created for legitimate purposes, including improving payment efficiency and expanding financial access.
2009	Bitcoin officially launched, making the world's first cryptocurrency publicly available.	Bitcoin began gaining attention among technology enthusiasts, investors, and early adopters, demonstrating the potential of decentralized digital currencies for legitimate financial transactions.

2011	Silk Road, an online black-market marketplace on the dark web, began using Bitcoin as its primary payment method.	This marked one of the earliest large scale demonstrations that cryptocurrency could be exploited to facilitate illegal transactions across borders while reducing reliance on traditional financial institutions.
2013	The FBI, with support from international law enforcement partners, shut down Silk Road and seized large amounts of Bitcoin.	Although the operation demonstrated that blockchain transactions could be investigated and traced under certain circumstances, criminal organizations later adopted increasingly sophisticated methods of concealing illicit financial flows.
2017 - 2019	Cryptocurrency adoption expanded rapidly, accompanied by a significant increase in ransomware attacks demanding payment in digital assets. At the same time, cryptocurrency exchanges, privacy-enhancing technologies, and virtual asset services became more widespread.	Criminal organizations increasingly recognize cryptocurrency as an efficient tool for laundering proceeds and moving illicit funds across borders, while regulators struggled to keep pace with technological developments.
2020 - 2021	The rapid growth of decentralized finance (DeFi), cross-chain bridges, privacy tools, and stablecoins has further transformed the cryptocurrency ecosystem.	Transnational criminal networks have adapted to these innovations, making illicit financial flows more complex and increasing the need for international cooperation, regulatory coordination, and improved investigative capabilities.

Past Actions

1. United Nations Convention against Transnational Organized Crime (UNTOC)

Year: 2000

Organizations Involved: United Nations General Assembly, United Nations Office on Drugs and Crime (UNODC), United Nations Member States

What was the action?

Adopted by the United Nations General Assembly in November 2000, the United Nations Convention against Transnational Organized Crime (UNTOC), also known as the Palermo Convention, established the first comprehensive international legal framework dedicated to combating transnational organized crime. The Convention encourages Member States to strengthen international cooperation through extradition, mutual legal assistance, joint investigations, information sharing, and

the adoption of stronger domestic legislation. It is further supplemented by three protocols addressing human trafficking, migrant smuggling, and the illicit manufacturing of and trafficking in firearms.

Evaluation of Effectiveness

UNTOC is one of the most important international agreements for combating transnational organized crime and has been ratified by almost all UN Member States. The Convention has strongly strengthened cross-border collaboration and established common legal standards for addressing transnational criminal activities. However, as it was adopted before the emergence of cryptocurrency, it does not specifically address blockchain technology, cryptocurrencies, or Virtual Asset Service Providers (VASPs), such as cryptocurrency exchanges. Consequently, while its principles remain highly relevant, additional legal and regulatory frameworks have become necessary to address the evolving methods employed by modern transnational criminal organizations.

2. Financial Action Task Force (FATF) Recommendations and the Travel Rule

Relevant Action: 2019

Organizations Involved: Financial Action Task Force (FATF), Member Jurisdictions, National Financial Regulators

What was the action?

The Financial Action Task Force (FATF) is an intergovernmental organization that develops international standards to combat money laundering (AML) and terrorist financing (CFT). In 2019, FATF updated its Recommendations to explicitly include virtual assets and Virtual Asset Service Providers (VASPs), such as cryptocurrency exchanges.

One of the most important measures introduced was the Travel Rule, which requires VASPs to collect and transmit identifying information about both the sender and recipient of certain cryptocurrency transactions. The objective of this requirement is to improve transparency, strengthen financial oversight, and reduce opportunities for money laundering and terrorist financing involving digital assets.

Evaluation of Effectiveness

The FATF Recommendations have become the global benchmark for regulating cryptocurrency-related financial activities and have encouraged many jurisdictions to introduce licensing requirements, customer due diligence measures, and anti-money laundering regulations for cryptocurrency exchanges. However, implementation has varied between countries, with many jurisdictions lacking the technical expertise, regulatory infrastructure, or political will to fully enforce these standards. In addition, emerging technologies such as decentralized finance (DeFi), peer-to-peer transactions, and privacy-enhancing tools have created new challenges that existing anti-money laundering frameworks were not originally designed to address. Consequently, inconsistencies in national regulations continue to create opportunities for transnational criminal organizations to exploit gaps in international enforcement.

3. UNODC Capacity-Building and Technical Assistance on Cryptocurrency Investigations

Year: 2018 - Present

Organizations Involved: United Nations Office on Drugs and Crime (UNODC), Member States, National Law Enforcement Agencies

What was the action?

As cryptocurrencies became increasingly associated with cybercrime, money laundering, and transnational organized crime, the United Nations Office on Drugs and Crime (UNODC) expanded its technical assistance programmes to help Member States investigate crimes involving virtual assets. Through initiatives such as the Global Programme against Money Laundering, Proceeds of Crime and the Financing of Terrorism (GPML), UNODC has provided training on blockchain analysis, cryptocurrency tracing, digital evidence collection, and financial investigations. It has also supported countries in strengthening domestic legal frameworks, enhancing investigative capabilities, and improving cooperation among law enforcement agencies to combat cryptocurrency crime.

Evaluation of Effectiveness

UNODC's capacity-building initiatives have strongly strengthened the ability of many Member States(particularly developing countries with limited technical expertise) to investigate cryptocurrency crimes. These programmes have also promoted international information sharing and strengthened cross-border cooperation among law enforcement agencies. However, the advancement of technological innovation continues to outrun training programmes and legislative reforms. Many jurisdictions still face shortages of financial, technical, and human resources, limiting their ability to investigate increasingly complex methods of cryptocurrency crime effectively.

4. Operation DisrupTor

Year: 2020

Organizations Involved: Europol, Federal Bureau of Investigation (FBI), Drug Enforcement Administration (DEA), Eurojust, U.S. Department of Justice, and law enforcement agencies from multiple countries.

What was the action?

Launched in 2020, Operation DisrupTor was a large-scale international law enforcement operation targeting darknet marketplaces involved in the sale of illegal drugs, counterfeit goods, and other illicit products. Coordinated by Europol and the United States Department of Justice, the operation involved law enforcement agencies from multiple countries working together to identify vendors and buyers operating on darknet platforms that relied heavily on cryptocurrency as their primary payment method. Authorities arrested more than 170 individuals, seized hundreds of kilograms of illegal drugs, confiscated millions of dollars in cash and cryptocurrencies, and disrupted several transnational criminal networks operating across multiple jurisdictions.

Evaluation of Effectiveness

Operation DisrupTor demonstrated that strong international cooperation and advanced blockchain analysis can successfully identify and disrupt criminal networks that misuse cryptocurrency. The operation also highlighted the value of intelligence sharing and coordinated investigations among law enforcement agencies. However, its long-term impact was limited by the adaptability of transnational criminal organizations. Following the operation, new darknet marketplaces quickly emerged, and many criminal groups shifted to alternative platforms, encrypted communication services, and more complex methods of concealing cryptocurrency transactions. At the same time, while Operation DisrupTor achieved operational success, sustained international cooperation and continuous technological adaptation remain essential to combating cryptocurrency transnational crime.

5. United Nations Convention against Cybercrime

Year: 2024

Organizations Involved: United Nations General Assembly, Ad Hoc Committee to Elaborate a Comprehensive International Convention on Countering the Use of Information and Communications Technologies for Criminal Purposes, Member States

What was the action?

In 2024, United Nations Member States finalized negotiations on the United Nations Convention against Cybercrime, the first global UN treaty specifically addressing cybercrime and international cooperation in investigating crimes committed through information and communications technologies (ICTs). The Convention establishes mechanisms for international cooperation, digital evidence sharing, mutual legal assistance, and capacity-building while encouraging Member States to strengthen domestic legislation against cyber-enabled crimes. Although the Convention is not exclusively focused on cryptocurrency, its provisions support investigations into offences involving digital assets when they are used to facilitate cybercrime or transnational organized crime.

Evaluation of Effectiveness

The Convention represents an important stage in strengthening international cooperation against cybercrime, particularly as transnational criminal organizations increasingly rely on digital technologies, including cryptocurrencies, to facilitate illicit activities. However, the Convention will only be effective if many countries adopt it, implement it consistently, and have the technical expertise and resources needed to enforce it. Furthermore, differences in national laws and continuing debates over privacy, human rights, data protection, and national sovereignty may make implementation more challenging.

Current State of Affairs

As of 2025, the illicit crypto volume reached an all-time high of USD 158 billion in 2025, up nearly 145% from 2024. The development of cryptocurrency has added another tool on top of the traditional ways, such as bulk cash smuggling, bank transfers, and shell companies. Cryptocurrency has allowed Transnational Organized Crime (TOC) groups to move cash around borders fast and allows for pseudonymous transactions. However, a key difference between pseudonymous and anonymous is that pseudonymous means you are utilizing fake or alternate identities instead of your real name, but investigators can still track down which source the funds were sent to and from. As reported by the United Nations, TOC groups in the Mekong region (Myanmar, Laos, Cambodia, Thailand, and Vietnam) operate large-scale scam networks generating approximately 40 billion to 44 billion annually, which is equivalent to 40% of the combined GDP of Laos, Cambodia, and Myanmar. Mekong scam groups heavily rely on forced labor and human trafficking to operate their large-scale scam operations worldwide. While the global cyberscam market generates approximately 88 billion to 114 billion annually. The continued success of these groups has been fueled by their capacities to launder money through cryptocurrencies and smuggle cash across borders. Stablecoin technology has made cryptocurrency even more attractive than ever. A stablecoin is essentially a cryptocurrency that does not fluctuate as much and is similar to physical currency like the U.S. Dollar or the Korean Won. This type of cryptocurrency allowed TOC groups to transport money without fear of its value shrinking overnight, making it much more reliable than other cryptocurrencies. As it is still a type of cryptocurrency, TOC groups are essentially able to bypass most traditional bank systems like the SWIFT system and do not have to go through as much governmental control with a physical currency like the USD. As reported by Blockchain Intelligence and Crypto Crime Data, it stated that Stablecoin represents over 63% of illicit crypto transfers. However, stablecoin issuers, for example, Tether, have been notified that the currency has been utilized by illicit actors, and they have the ability to freeze the transfer or assets. This creates a risk for TOC groups; however, many of these groups still choose to bypass the risk and continue to utilize this currency because of its ability to transfer funds rapidly, bypass the traditional banking system, be a more stable currency, reduce governmental oversight, and low-cost.

Other than Transnational Organized Crime (TOC) groups, many sanctioned nations, for example, Russia and Iran, have benefited from the rise of cryptocurrency. Russia launched the cryptocurrency A7A5 in February of 2025, which is a form of cryptocurrency that has a 1:1 exchange rate with the Russian Ruble. This has allowed Russia to bypass the traditional banking and financial system that has been sanctioned against Russia and continue trading with other nations. As reported by the TRM labs, the A7A5 token has processed over 72 billion U.S. dollars. Sanctioned related crypto activity has increased by over 400% in 2025 and the Russian government has continuously encouraged organizations and individuals to purchase A7A5 tokens. However this leads to the core of the issue. Countries have different perspectives on the issue of cryptocurrency leading to regulatory gaps between countries. Because of the decentralized model of TOC groups and the regulatory gaps, TOC groups can quickly move their operation in another country to bypass the regulations. Furthermore, TOC groups and sanctioned nations have also heavily utilized Chinese Language Money Laundering Networks (CMLNs). CMLN in short is a service that allows TOC groups and sanctioned nations to clean illicit funds that are used. Other than TOC groups, there have also been reports of North Koreans being backed hacking groups utilizing CMLNs to launder foreign funds into their nations.

In response the Financial Action Task Force (FATF) an independent organization that licenses, registers, and supervises Virtual Asset Service Providers (VASPs). FATF suggested to the United Nations countries to implement FATF standards or known as the Travel Rule Legislature. The FATF standards cover all aspects such as legislature, asset-freezing power, and more. Over 80% that have been surveyed, only 51 out of the 149 assessed jurisdictions have been largely compliant with the given suggestions and only one having fully compliant. The travel rule recommended by the FATF asks the country to log the identification card of the users during the transactions. However this brings up an issue of where one regulated VASPs implements sends fund to an unregulated VASPs which does not log or share the counterparty's identity. This leads to challenges for investigators as it breaks the data chain and prevents investigators from identifying the real individual behind transactions The FATF travel rules were designed to allow countries to cooperate easier and faster to freeze crypto transactions before it enters the crypto wallet. However, with certain countries implementing it and others not, it makes it much more difficult to freeze transactions. Although many of them implement it into the legislature already, actually executing and supervising has been a challenge. With FATF's survey roughly 60% of the country has not conducted inspections or placed any fines on crypto platforms. In short, the regulation has been implemented on paper but has not been implemented in reality.

Stances of Parties

Although Member States generally agree that transnational organized crime poses a serious threat to international security and that cryptocurrencies should not be exploited for illicit activities, they differ in how they believe these challenges should be addressed. While some countries prioritize innovation and the growth of the digital asset industry, others place greater emphasis on financial stability, national security, and strict government oversight. Countries that are heavily affected by drug trafficking, money laundering, or cybercrime often advocate for stronger international law enforcement cooperation, whereas developing countries may emphasize the need for technical assistance and capacity-building.

Countries Stances

United States
The United States recognizes both the economic potential of cryptocurrencies and the risks they pose when exploited by transnational criminal organizations. As one of the world's largest cryptocurrency markets, it seeks to balance technological innovation with strong regulatory oversight to combat money laundering, ransomware, terrorist financing, and other forms of illicit financial activity. The United States has strengthened anti-money laundering (AML) regulations for virtual assets through agencies such as the Financial Crimes Enforcement Network (FinCEN) and actively supports the implementation of the Financial Action Task Force (FATF) Recommendations, including the Travel Rule. U.S. law enforcement agencies have also led major investigations into cryptocurrency-related crime, including the takedown of darknet marketplaces such as Silk Road and Operation DisrupTor.

Canada
Canada supports the development of cryptocurrency while emphasizing the importance of preventing its misuse by transnational criminal organizations. As a member of the Financial Action Task Force (FATF), Canada has adopted anti-money laundering (AML) and counter-terrorist financing (CTF) measures that apply to cryptocurrency businesses. Under the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (PCMLTFA), Virtual Asset Service Providers (VASPs), including cryptocurrency exchanges, are required to register with the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC), implement customer due diligence measures, and report suspicious transactions. Canada has also strengthened cooperation between financial regulators and law enforcement agencies to investigate cryptocurrency-related financial crime.

Mexico
Mexico views the misuse of cryptocurrency primarily through the lens of combating transnational organized crime, particularly drug trafficking, money laundering, and other illicit financial activities. Given the presence of transnational criminal organizations operating within and beyond its borders, Mexico has strengthened efforts to prevent virtual assets from being used to conceal or transfer illicit proceeds. Under the Fintech Law and the Federal Law for the Prevention and Identification of Operations with Resources of Illicit Origin, cryptocurrency service providers are subject to anti-money laundering (AML) requirements, including customer identification and suspicious transaction reporting. Mexico also works closely with international partners, including the Financial Action Task Force (FATF) and the United States, to strengthen cross border financial investigations and law enforcement cooperation.

El Salvador
El Salvador has adopted one of the world's most cryptocurrency-friendly approaches, viewing digital assets as a tool to promote financial inclusion, attract foreign investment, and stimulate economic growth. In 2021, El Salvador became the first country to recognize Bitcoin as legal tender through the Bitcoin Law, allowing it to be used alongside the U.S. dollar for transactions. While the government has promoted cryptocurrency adoption through initiatives such as digital wallets and Bitcoin-related investments, concerns have been raised by international organizations regarding financial stability, money laundering risks, and consumer protection. In recent years, El Salvador has also strengthened its regulatory framework by introducing licensing and oversight measures for digital asset service providers to enhance transparency.

Brazil
Brazil recognizes the economic potential of cryptocurrencies while emphasizing the need for regulation to prevent their misuse by transnational criminal organizations. As Latin America's largest economy and one of the region's leading cryptocurrency markets, Brazil has adopted measures to strengthen oversight of virtual assets while encouraging financial innovation. In 2022, Brazil passed the Legal Framework for Virtual Assets (Law No. 14,478/2022), establishing a regulatory framework for cryptocurrency service providers and assigning regulatory oversight to the Central Bank of Brazil. Brazilian authorities have also expanded cooperation between financial regulators and law enforcement agencies to combat money laundering, cybercrime, and other illicit activities involving digital assets.

Colombia
Colombia views the misuse of cryptocurrency primarily as a challenge to combating transnational organized crime, particularly drug trafficking, money laundering, and cyber-enabled financial crimes. As one of the countries most affected by organized criminal networks, Colombia has strengthened cooperation between financial intelligence units, law enforcement agencies, and international partners to investigate illicit financial activities involving virtual assets. While Colombia has not established a legal framework specifically for cryptocurrencies, authorities have introduced regulatory pilot programs and strengthened anti-money laundering (AML) measures to better monitor virtual asset transactions. Colombia also works closely with organizations such as the Financial Action Task Force (FATF) and the United Nations Office on Drugs and Crime (UNODC) to improve financial investigations and cross-border cooperation.

Venezuela
Venezuela recognizes both the opportunities and risks associated with cryptocurrencies, particularly in the context of economic instability and cross-border financial activities. In recent years, the use of digital assets has grown as individuals and businesses seek alternative methods for conducting transactions and preserving value. At the same time, Venezuelan authorities have expressed concerns over the potential misuse of cryptocurrencies for money laundering, fraud, and other illicit financial activities linked to transnational criminal organizations. The government has introduced regulatory measures for virtual asset activities and has strengthened cooperation with financial and law enforcement authorities to combat financial crimes.

France
France recognizes the economic potential of blockchain technology while emphasizing the importance of regulation to prevent cryptocurrencies from being exploited by transnational criminal

organizations. As a member of the European Union (EU) and the Financial Action Task Force (FATF), France has actively supported the development of anti-money laundering (AML) regulations for virtual assets. France introduced one of Europe's earliest regulatory frameworks for cryptocurrency service providers under the PACTE Law (2019), requiring certain Virtual Asset Service Providers (VASPs) to register with the Autorité des Marchés Financiers (AMF) and comply with AML and counter-terrorist financing (CTF) requirements. France also supports the implementation of the EU's Markets in Crypto-Assets (MiCA) Regulation, which aims to establish regulatory frameworks across Member States.

Germany
Germany supports the development of cryptocurrencies while emphasizing the importance of strong regulation to safeguard financial stability and prevent their misuse by transnational criminal organizations. As a member of the European Union (EU) and the Financial Action Task Force (FATF), Germany has implemented anti-money laundering (AML) regulations for virtual assets and requires cryptocurrency service providers to comply with licensing, customer due diligence, and reporting obligations. The country has also supported the implementation of the EU's Markets in Crypto-Assets (MiCA) Regulation, which seeks to establish regulatory frameworks for digital assets across Member States. German authorities have strengthened cooperation between financial regulators and law enforcement agencies to investigate money laundering, cybercrime, and other cryptocurrency-related offenses.

Switzerland
Switzerland supports the development of blockchain technology and cryptocurrencies while emphasizing the importance of regulation to prevent financial crime. As one of the world's leading cryptocurrency and blockchain hubs, Switzerland has established a legal framework that encourages innovation while maintaining strong anti-money laundering (AML) standards. The country has introduced legislation to provide legal certainty for blockchain-based businesses and requires Virtual Asset Service Providers (VASPs) to comply with customer due diligence, licensing, and AML requirements. Switzerland also participates in the Financial Action Task Force (FATF) and works closely with international partners to combat money laundering and other illicit financial activities involving digital assets.

Estonia
Estonia supports the development of digital assets while emphasizing the need for strong regulatory oversight to prevent their misuse by transnational criminal organizations. As one of the world's most digitally advanced countries, Estonia was among the first to establish a regulatory framework for cryptocurrency service providers, encouraging innovation in blockchain technology and digital finance. In recent years, however, Estonia has significantly strengthened its anti-money laundering (AML) regulations by tightening licensing requirements for Virtual Asset Service Providers (VASPs) and increasing regulatory supervision to address concerns over money laundering and illicit financial activities. As a member of the European Union (EU), Estonia also supports the implementation of the Markets in Crypto-Assets (MiCA) Regulation to promote consistent cryptocurrency regulation across Member States.

United Kingdom
The United Kingdom supports the growth of the cryptocurrency sector while emphasizing the need for effective regulation to combat money laundering, fraud, and other forms of financial crime. As a global financial centre, the UK seeks to foster innovation in digital assets while maintaining the

integrity of its financial system. Cryptocurrency businesses operating in the UK must register with the Financial Conduct Authority (FCA**)** and comply with anti-money laundering (AML) and counter-terrorist financing (CTF) requirements. The United Kingdom also supports the implementation of the Financial Action Task Force (FATF) Recommendations and has strengthened cooperation between financial regulators and law enforcement agencies to investigate cryptocurrency-related crimes.

China

China views the misuse of cryptocurrencies primarily as a threat to financial stability, national security, and the prevention of financial crime. While recognizing the potential of blockchain technology, the Chinese government has adopted one of the world's strictest approaches to private cryptocurrencies. In 2021, Chinese authorities declared all cryptocurrency-related transactions illegal and intensified enforcement against cryptocurrency mining and trading to reduce financial risks and prevent illicit activities such as money laundering and fraud. At the same time, China has continued to support the development of blockchain technology and has promoted the Digital Yuan (e-CNY), its central bank digital currency (CBDC), as part of its broader digital economy strategy.

Japan

Japan recognizes the economic and technological potential of cryptocurrencies while emphasizing the importance of strong regulation to prevent their misuse by transnational criminal organizations. As one of the first countries to establish a comprehensive legal framework for digital assets, Japan requires cryptocurrency exchanges to register with the Financial Services Agency (FSA**)** and comply with anti-money laundering (AML), customer due diligence, and cybersecurity requirements. Following the 2014 collapse of the Mt. Gox cryptocurrency exchange and other security incidents, Japan further strengthened oversight to improve consumer protection and reduce financial crime risks. As a member of the Financial Action Task Force (FATF), Japan also supports international cooperation and the implementation of global standards for regulating virtual assets.

South Korea

South Korea recognizes the economic potential of cryptocurrencies while emphasizing the need for regulation to protect investors and prevent financial crime. As one of the world's largest cryptocurrency markets, South Korea has introduced regulatory measures requiring Virtual Asset Service Providers (VASPs) to register with financial authorities and comply with anti-money laundering (AML), customer due diligence, and suspicious transaction reporting requirements. The government has also strengthened oversight following several cryptocurrency fraud cases and market disruptions, aiming to improve transparency in the digital asset sector. As a member of the Financial Action Task Force (FATF), South Korea supports international cooperation and the implementation of global standards for virtual asset regulation.

Singapore

Singapore supports the responsible development of cryptocurrencies and blockchain technology while maintaining a strong regulatory framework to safeguard the integrity of its financial system. As a leading global financial and fintech hub, Singapore seeks to encourage innovation while preventing the misuse of digital assets for money laundering, terrorist financing, and other illicit activities. Under the Payment Services Act, cryptocurrency service providers are required to obtain licenses from the Monetary Authority of Singapore (MAS) and comply with anti-money laundering (AML), customer due diligence, and counter-terrorist financing (CTF) requirements. Singapore also actively supports

the implementation of the Financial Action Task Force (FATF) Recommendations and works closely with international partners to strengthen global regulatory standards.

India
India recognizes the growing role of cryptocurrencies in the global digital economy while emphasizing the need to mitigate the risks they pose to financial stability and transnational crime. Although the country has not recognized cryptocurrencies as legal tender, it has introduced measures to regulate the sector and prevent their misuse for money laundering and other illicit financial activities. In recent years, India has brought Virtual Asset Service Providers (VASPs) under the Prevention of Money Laundering Act (PMLA), requiring them to comply with anti-money laundering (AML), customer due diligence, and reporting obligations. As the current President of the Global Partnership on Artificial Intelligence (GPAI) and an member of the Financial Action Task Force (FATF), India has also supported greater international cooperation on digital governance and financial security.

Philippines
The Philippines recognizes the potential of cryptocurrencies to promote financial inclusion, and support digital innovation while acknowledging the risks posed by their misuse in money laundering, fraud, and other forms of transnational crime. As one of Southeast Asia's fastest growing digital economies, the Philippines has established a regulatory framework requiring Virtual Asset Service Providers (VASPs) to register with the Bangko Sentral ng Pilipinas (BSP) and comply with anti-money laundering (AML), customer due diligence, and reporting requirements. The country has also strengthened cooperation between financial regulators and law enforcement agencies to combat cybercrime and other illicit activities involving virtual assets.

Iran
Iran recognizes the potential of cryptocurrencies as an financial technology while emphasizing the need for strong government oversight to prevent their misuse for illicit activities. Faced with economic challenges and international sanctions, Iran has explored the use of digital assets to support certain aspects of its economy while regulating cryptocurrency mining and transactions under state supervision. At the same time, Iranian authorities have expressed concerns over the use of cryptocurrencies for money laundering, fraud, and other financial crimes, leading to the implementation of anti-money laundering (AML) measures and increased oversight of virtual asset activities. Iran also supports international efforts to combat transnational organized crime while maintaining that each Member State should retain the sovereign right to regulate digital assets according to its national circumstances.

United Arab Emirates(UAE)
The United Arab Emirates (UAE) supports the responsible growth of the digital asset industry while maintaining regulatory framework to combat money laundering, terrorist financing, and other forms of financial crime. As a leading international financial centre, the UAE seeks to position itself as a global hub for blockchain technology and virtual assets by encouraging innovation under regulatory oversight. The country has established dedicated regulatory authorities, including the Virtual Assets Regulatory Authority (VARA) in Dubai, and requires Virtual Asset Service Providers (VASPs) to comply with licensing, anti-money laundering (AML), and customer due diligence requirements. The UAE also works closely with the Financial Action Task Force (FATF**)** and other international partners to strengthen financial transparency and address illicit financial flows.

Saudi Arabia
Saudi Arabia recognizes the potential of digital financial technologies while emphasizing the importance of maintaining financial stability and preventing the misuse of cryptocurrencies for money laundering, terrorist financing, and other forms of transnational crime. As part of its Vision 2030 strategy, Saudi Arabia has supported the development of financial technology and digital innovation while adopting a cautious approach toward privately issued cryptocurrencies. The country has strengthened anti-money laundering (AML) and counter-terrorist financing (CTF) measures in line with the Financial Action Task Force (FATF) Recommendations and continues to enhance cooperation between financial regulators and law enforcement agencies to combat illicit financial activities. Saudi Arabia has also participated in initiatives exploring central bank digital currencies (CBDCs) as part of broader efforts to modernize its financial sector.

South Africa
South Africa recognizes the growing role of cryptocurrencies in the digital economy while emphasizing the importance of effective regulation to prevent their misuse by transnational criminal organizations. As one of Africa's largest cryptocurrency markets, South Africa has adopted a regulatory approach that seeks to balance financial innovation with strong anti-money laundering (AML) and counter-terrorist financing (CTF) measures. In 2022, the country officially classified crypto assets as financial products under the Financial Advisory and Intermediary Services (FAIS) Act, requiring Virtual Asset Service Providers (VASPs) to obtain licenses and comply with regulatory requirements. South Africa also works with the Financial Action Task Force (FATF) to strengthen its AML framework and improve oversight of virtual asset activities.

Nigeria
Nigeria recognizes the growing importance of cryptocurrencies in promoting financial inclusion and facilitating cross-border transactions while acknowledging the risks they pose to financial security and transnational crime. As one of the world's largest cryptocurrency markets, Nigeria has experienced widespread adoption of digital assets for payments and investment. To address the risks of money laundering and other illicit financial activities, the government has strengthened regulatory oversight by requiring Virtual Asset Service Providers (VASPs) to comply with anti-money laundering (AML) and counter-terrorist financing (CTF) requirements under the supervision of relevant financial authorities. Nigeria also works closely with the Financial Action Task Force (FATF) and regional partners to improve financial transparency and strengthen international cooperation against illicit financial flows.

Egypt
Egypt adopts a cautious approach toward cryptocurrencies, emphasizing financial stability, consumer protection, and the prevention of financial crime. While recognizing the potential of financial technology to support economic development, the Egyptian government has expressed concerns over the use of cryptocurrencies for money laundering, fraud, terrorist financing, and other illicit activities. The Central Bank of Egypt has strengthened oversight of digital financial services and continues to promote secure, government-regulated digital payment systems while discouraging the use of unregulated virtual assets. As a member of the Middle East and North Africa Financial Action Task Force (MENAFATF), Egypt supports international cooperation and the implementation of anti-money laundering (AML) and counter-terrorist financing (CTF) standards.

Australia

Australia supports the responsible development of cryptocurrencies while emphasizing the importance of strong regulatory oversight to prevent their misuse by transnational criminal organizations. Recognizing both the economic potential and the risks of digital assets, Australia has implemented regulatory frameworks requiring Virtual Asset Service Providers (VASPs) to register with the Australian Transaction Reports and Analysis Centre (AUSTRAC) and comply with anti-money laundering (AML), counter-terrorist financing (CTF), customer due diligence, and suspicious transaction reporting requirements. Australia also supports the implementation of the Financial Action Task Force (FATF) Recommendations and works closely with international partners to combat money laundering, ransomware, and other cryptocurrency-related financial crimes.

Russian Federation
The Russian Federation recognizes the potential of digital assets and blockchain technology while emphasizing the importance of strong government oversight to safeguard financial stability, national security, and the integrity of the financial system. Although Russia does not recognize cryptocurrencies as legal tender, it has established a legal framework governing digital financial assets and has strengthened regulatory measures to combat money laundering, terrorist financing, and other forms of illicit financial activity involving virtual assets. The Russian Federation also supports international cooperation to address transnational organized crime while maintaining that each Member State should retain the sovereign right to regulate cryptocurrencies in accordance with its national laws and priorities

Türkiye
Türkiye recognizes the growing role of cryptocurrencies in the global digital economy while emphasizing the need to protect financial stability and prevent their misuse for money laundering, fraud, and other forms of transnational crime. As one of the countries with the highest rates of cryptocurrency adoption, Türkiye has experienced growth in the use of digital assets for investment and financial transactions. In response, the government has introduced regulatory measures to strengthen oversight of Virtual Asset Service Providers (VASPs) and enhance compliance with anti-money laundering (AML) and counter-terrorist financing (CTF) requirements. Türkiye also works closely with the Financial Action Task Force (FATF) to improve financial transparency and strengthen efforts to combat illicit financial activities.

Controversies

1. **Balancing Innovation with Crime Prevention**

   One of the greatest challenges surrounding cryptocurrency is balancing technological innovation with effective crime prevention. Blockchain technology and digital assets have transformed global finance by enabling faster, more accessible, and lower-cost transactions. They have also created opportunities for financial inclusion, cross-border commerce, and technological development. However, features that make cryptocurrencies attractive for legitimate users(like decentralization, speed, and global accessibility) have also been exploited by transnational criminal organizations to facilitate money laundering, ransomware attacks, drug trafficking, fraud, and other illicit activities. As a result, Member States continue to debate how governments should regulate cryptocurrencies without discouraging innovation. Some countries argue that excessive regulation may slow technological progress

and economic growth, while others believe that stronger oversight is necessary to protect financial systems and public security.

2. **National Sovereignty vs. International Cooperation**

   Cryptocurrency presents challenges for law enforcement, as illicit transactions frequently involve multiple jurisdictions and can move across borders within seconds. Because transnational criminal organizations often operate internationally, many governments and international organizations have called for greater cooperation through information sharing, joint investigations, regulatory standards, and mutual legal assistance. Initiatives such as the Financial Action Task Force (FATF) Recommendations encourage Member States to adopt consistent anti-money laundering (AML) and counter-terrorist financing (CTF) measures to reduce opportunities for regulatory arbitrage. However, not all Member States agree on the extent to which cryptocurrency regulation should be standardized internationally. Some countries argue that stronger international coordination is important to combat transnational financial crime, while others emphasize that each government should retain the sovereign right to regulate digital assets according to its own legal system, economic priorities, and national security concerns.

3. **Privacy and Financial Transparency**

   One of the most debated aspects of cryptocurrency regulation is how to balance users' financial privacy with the need to prevent illicit financial activities. Unlike traditional banking systems, many cryptocurrency transactions can be conducted without directly revealing the identities of the individuals involved. Although most public blockchains permanently record transactions, users often interact through wallet addresses rather than personal identities. In addition, privacy-enhancing technologies, such as privacy coins, cryptocurrency mixers, and certain decentralized platforms, can make it more difficult for law enforcement agencies to trace illicit financial flows. To address these challenges, many Member States have introduced anti-money laundering (AML) and customer due diligence requirements for Virtual Asset Service Providers (VASPs), requiring cryptocurrency exchanges and other service providers to verify customer identities and report suspicious transactions. However, some stakeholders argue that restrictive regulations may undermine financial privacy, discourage technological innovation, or reduce access to digital financial services.

4. **Regulating Decentralized Finance(DeFi) and Emerging Technologies**

   The rapid development of decentralized finance (DeFi) has introduced new challenges for governments seeking to regulate cryptocurrency-related activities. Unlike traditional financial institutions or centralized cryptocurrency exchanges, many DeFi platforms operate through smart contracts and decentralized protocols without a single company or governing authority controlling transactions. As a result, these platforms often fall outside existing regulatory frameworks, making it more difficult for governments to enforce anti-money laundering (AML) measures, identify responsible parties, or investigate illicit financial activities. In addition to DeFi, technological innovations such as cross-chain bridges, decentralized exchanges (DEXs), and privacy-enhancing technologies have further increased the complexity of tracking illicit financial flows. While these innovations have expanded access to financial services and encouraged technological development, they have also created new opportunities for transnational criminal organizations to move assets across jurisdictions

while avoiding traditional financial oversight. Member States continue to debate whether existing regulatory frameworks should be expanded to cover emerging technologies and how such regulations can be implemented without undermining innovation or the decentralize the blockchain technology.

5. **Unequal Enforcement Capacity and Technical Assistance**

Although many Member States have introduced laws and regulations to combat the misuse of cryptocurrencies, their ability to enforce these measures varies. Investigating cryptocurrency-related crimes often requires specialized expertise in blockchain analysis, digital forensics, cybercrime investigations, and financial intelligence. Many developing countries face challenges in obtaining the technical resources, funding, and trained personnel needed to effectively detect and prosecute illicit financial activities involving virtual assets. These differences in enforcement capacity may create vulnerabilities that transnational criminal organizations can exploit by operating in jurisdictions with weaker regulatory or investigative capabilities. As a result, Member States continue to debate how the international community should support countries with limited resources. Some governments emphasize the importance of capacity-building initiatives, technical assistance, and knowledge-sharing through organizations such as the United Nations Office on Drugs and Crime (UNODC) and the Financial Action Task Force (FATF). Others argue that national governments should retain primary responsibility for strengthening their own legal and institutional frameworks.

Possible Solutions

1) Strengthening FATF Travel Rule Legislations

Many countries have already implemented the Financial Action Task Force (FATF) travel rule legislations however with FATF's survey it showed that over 60% of the countries have implemented it in the legislature but did not enforce it. The implementation gap allows Transnational Organized Crime (TOC) groups to operate and move funds without facing consequences. Some strategies to implement enforcement in a country is to require states to submit reports on the travel rule enforcement data to oversight bodies. However this also brings the concern of false information being provided. Another suggestion may be to establish routine compliance reviews and require minimum on-site inspections for VASPs.

2) Providing Technical Assistance Towards Developing Countries

Currently, some nation's VASPs implement the Travel Rule Legislations while others don't and this creates a regulation gap. Many developing nations struggle to implement or execute Travel Rule Legislation because of the resources constraints. Some mechanisms that could assist developing countries may include establishing funding mechanisms to equip and train intelligence units in developing countries with analytical softwares. While another may be partnering with international bodies like United Nation Office of Drug and Crimes (UNODC) or International Criminal Police Organizations (INTERPOL) to train local prosecutors, regulators in tracing transactions and preserving digital evidence.

Questions to Consider

How can countries prevent misuse of cryptocurrency while preserving its rightful economic benefits for society?

How obligated the member states are to follow standardized international regulations, such as FATF, over independent domestic approaches to cryptocurrency?

How could governments balance personal privacy and national security in terms of granting access to the cryptocurrency transactions and customer identification to law enforcement?

Respectively, what would be the liability of governments, Virtual Asset Service Providers(VASPs), and decentralized platforms for countering cryptocurrency in organized crime?

Given the country's economic interest, technological advancement, and existing framework, what would be the most effective and cooperative solutions that can be addressed?

Bibliography

Autorité des Marchés Financiers. “Crypto-Assets: The AMF Clarifies Its Doctrine Applicable to PSANs Authorised under the PACTE Law.” *AMF*, https://www.amf-france.org/en/news-publications/news/crypto-actifs-lamf-clarifie-sa-doctrine-applicable-aux-psan-autorises-dans-le-cadre-de-la-loi-pacte. Accessed 26 Aug. 2026.

Autorité des Marchés Financiers. “Prestataires de Services sur Actifs Numériques : le Dispositif PACTE en Détail.” *AMF*, https://www.amf-france.org/fr/actualites-publications/actualites/prestataires-de-services-sur-actifs-numeriques-le-dispositif-pacte-en-detail. Accessed 26 Aug. 2026.

BaFin. “Definition of Crypto Services.” *Federal Financial Supervisory Authority*, https://www.bafin.de/SharedDocs/FAQs/EN/Mica/1400_Definition_Krypto-Dienstleistungen_en.html. Accessed 26 Aug. 2026.

Banco Central de Reserva de El Salvador. *Banco Central de Reserva de El Salvador*, https://www.bcr.gob.sv/. Accessed 26 Aug. 2026.

Bitcoin. “Bitcoin: A Peer-to-Peer Electronic Cash System.” *Bitcoin.org*, https://bitcoin.org/bitcoin.pdf. Accessed 26 Aug. 2026.

Central Bank of Brazil. *Banco Central do Brasil*, https://www.bcb.gov.br/. Accessed 26 Aug. 2026.

CMS. “FATF: Targeted Update on Implementation of the FATF Standards on Virtual Assets and Virtual Asset Service Providers.” *CMS*, 27 June 2025, updated 13 Mar. 2026, https://cms.law/en/int/regulatory-news/fatf-targeted-update-on-implementation-of-the-fatf-standards-on-virtual-assets-and-virtual-asset-service-providers2. Accessed 26 Aug. 2026.

CoinLaw. “Cryptocurrency Anti-Money Laundering Statistics.” *CoinLaw*, https://coinlaw.io/cryptocurrency-anti-money-laundering-statistics/. Accessed 26 Aug. 2026.

European Commission. “Markets in Crypto-Assets Regulation (MiCA).” *European Commission*, https://finance.ec.europa.eu/regulation-and-supervision/financial-services-legislation/markets-crypto-assets-regulation-mica_en. Accessed 26 Aug. 2026.

European Securities and Markets Authority. *Joint ESAs Factsheet on Crypto-Assets*. Oct. 2025, https://www.esma.europa.eu/sites/default/files/2025-10/Joint_ESAs_Factsheet_on_crypto-assets.pdf. Accessed 26 Aug. 2026.

Estonian Financial Intelligence Unit. *Financial Intelligence Unit*, https://www.fiu.ee/en. Accessed 26 Aug. 2026.

Federal Bureau of Investigation. “The FBI Story.” *FBI*, 2013, https://www.fbi.gov/stats-services/publications/fbi-story/fbi-story-2013-4. Accessed 26 Aug. 2026.

Financial Action Task Force. “Targeted Update on Implementation of FATF Standards on Virtual Assets and Virtual Asset Service Providers.” *FATF*, 2026,

https://www.fatf-gafi.org/en/news/targeted-updated-va-vasps-2026.html. Accessed 26 Aug. 2026.

Financial Action Task Force. "Virtual Assets." *FATF*, https://www.fatf-gafi.org/en/topics/virtual-assets.html. Accessed 26 Aug. 2026.

Financial Conduct Authority. "Cryptoassets." *FCA*, https://www.fca.org.uk/consumers/cryptoassets. Accessed 26 Aug. 2026.

Financial Crimes Enforcement Network. "Application of FinCEN's Regulations to Persons Administering, Exchanging, or Using Virtual Currencies." *FinCEN*, https://www.fincen.gov/resources/statutes-regulations/guidance/application-fincens-regulations-persons-administering. Accessed 26 Aug. 2026.

Financial Services Agency. *List of Registered Virtual Currency Exchange Service Providers*. Government of Japan, https://www.fsa.go.jp/en/regulated/licensed/en_kasoutuka.pdf. Accessed 26 Aug. 2026.

Financial Supervisory Authority of Switzerland. *Factsheet: Crypto-Based Assets*. FINMA, https://www.finma.ch/en/~/media/finma/dokumente/dokumentencenter/myfinma/faktenblaetter/faktenblatt-kryptobasierte-vermoegenswerte.pdf. Accessed 26 Aug. 2026.

Financial Transactions and Reports Analysis Centre of Canada. "Money Services Businesses." *FINTRAC*, https://fintrac-canafe.canada.ca/msb-esm/msb-eng. Accessed 26 Aug. 2026.

Korea Financial Intelligence Unit. *KoFIU*, https://www.kofiu.go.kr/eng/. Accessed 26 Aug. 2026.

Ministry of Finance of Brazil. "Lei nº 14.478, de 21 de Dezembro de 2022." *Presidência da República*, https://www.presidencia.gov.br/ccivil_03/_ato2019-2022/2022/lei/l14478.htm. Accessed 26 Aug. 2026.

People's Bank of China. *People's Bank of China*, http://www.pbc.gov.cn/. Accessed 26 Aug. 2026.

Reuters. "Organised Crime Groups Move Billions through Crypto, Global Financial Crime." *Reuters*, 16 July 2026, https://www.reuters.com/legal/government/organised-crime-groups-move-billions-through-crypto-global-financial-crime-2026-07-16/. Accessed 26 Aug. 2026.

TRM Labs. "2026 Crypto Crime Report." *TRM Labs*, https://www.trmlabs.com/reports-and-whitepapers/2026-crypto-crime-report. Accessed 26 Aug. 2026.

TRM Labs. "Stablecoins at Scale: Broad Adoption and Highly Concentrated Illicit Networks." *TRM Labs*, https://www.trmlabs.com/resources/blog/stablecoins-at-scale-broad-adoption-and-highly-concentrated-illicit-networks. Accessed 26 Aug. 2026.

TRM Labs. "TRM's New Crypto Crime Report Shows Illicit Flows Hit a Record USD 15.8B in 2025." *TRM Labs*,

https://www.trmlabs.com/resources/blog/trms-new-crypto-crime-report-shows-illicit-flows-hit-a-record-usd-158b-in-2025. Accessed 26 Aug. 2026.

United Nations. "United Nations Convention against Transnational Organized Crime." *United Nations Treaty Collection*, https://treaties.un.org/pages/viewdetails.aspx?src=treaty&mtdsg_no=xviii-12&chapter=18&clang=_en. Accessed 26 Aug. 2026.

United Nations Office on Drugs and Crime. "New UNODC Report Reveals Scale of South-East Asia's Ever-More Interconnected Criminal Economy." *UNODC*, July 2026, https://www.unodc.org/unodc/en/press/releases/2026/July/new-unodc-report-reveals-scale-of-south-east-asias-ever-more-interconnected-criminal-economy.html. Accessed 26 Aug. 2026.

United Nations Office on Drugs and Crime. "United Nations Convention against Transnational Organized Crime and the Protocols Thereto." *UNODC*, https://www.unodc.org/unodc/en/organized-crime/intro/UNTOC.html. Accessed 26 Aug. 2026.

United States Department of Justice. "Cryptocurrency Enforcement." *U.S. Department of Justice*, https://www.justice.gov/cryptocurrency-enforcement. Accessed 26 Aug. 2026.