



CHALLENGES OF CRYPTOCURRENCIES

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WHAT ARE CRYPTOASSETS?

The Financial Action Task Force (FATF) defines Virtual Assets (VA) as *"a digital representation of value that can be traded or transferred digitally and can be used for payments or investments."*

Virtual assets do not include digital representations of fiat currency, securities and other financial assets that are already covered elsewhere in the FATF Recommendations."



WHAT ARE CRYPTOCURRENCIES?

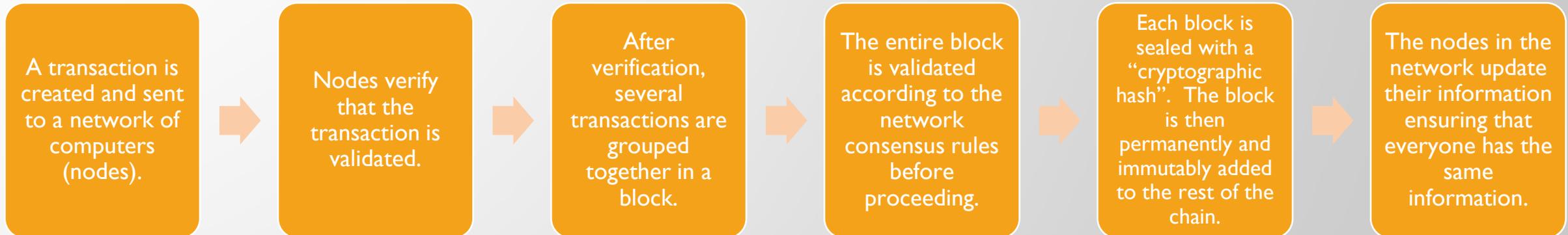
According to the FATF, they are *"open source, convertible and decentralised AVs, operating on a distributed peer-to-peer network that applies mathematical and cryptographic principles to secure the system.*

Transfers between users are carried out peer-to-peer, without intermediaries, based on a set of public and private cryptographic keys, and require cryptographic signature to be completed.

The transparency of the system is ensured by the recording of transactions in a sort of distributed 'ledger' (called Blockchain in most cryptocurrencies), maintained by a network of mutually "untrusted" parties (called 'miners' in the Bitcoin and other cryptocurrency ecosystem) who work out the cryptographic blocks of the chain and are rewarded for it with fees paid by the users.

WHAT IS THE BLOCKCHAIN?

Blockchain is a technology that allows transactions to be stored in blocks that are linked together to form a record that cannot be altered.



CHALLENGES OF CRYPTOCURRENCIES

- **REGULATION**

It is essential that states regulate the use of cryptocurrencies to prevent them from being used for money laundering, terrorist financing, tax crimes and the financing of organised crime.

There is a need for regulatory frameworks that tax cryptocurrencies and implement policies that seek to strengthen the control mechanisms of tax agencies. This has an impact on countries' tax revenues.

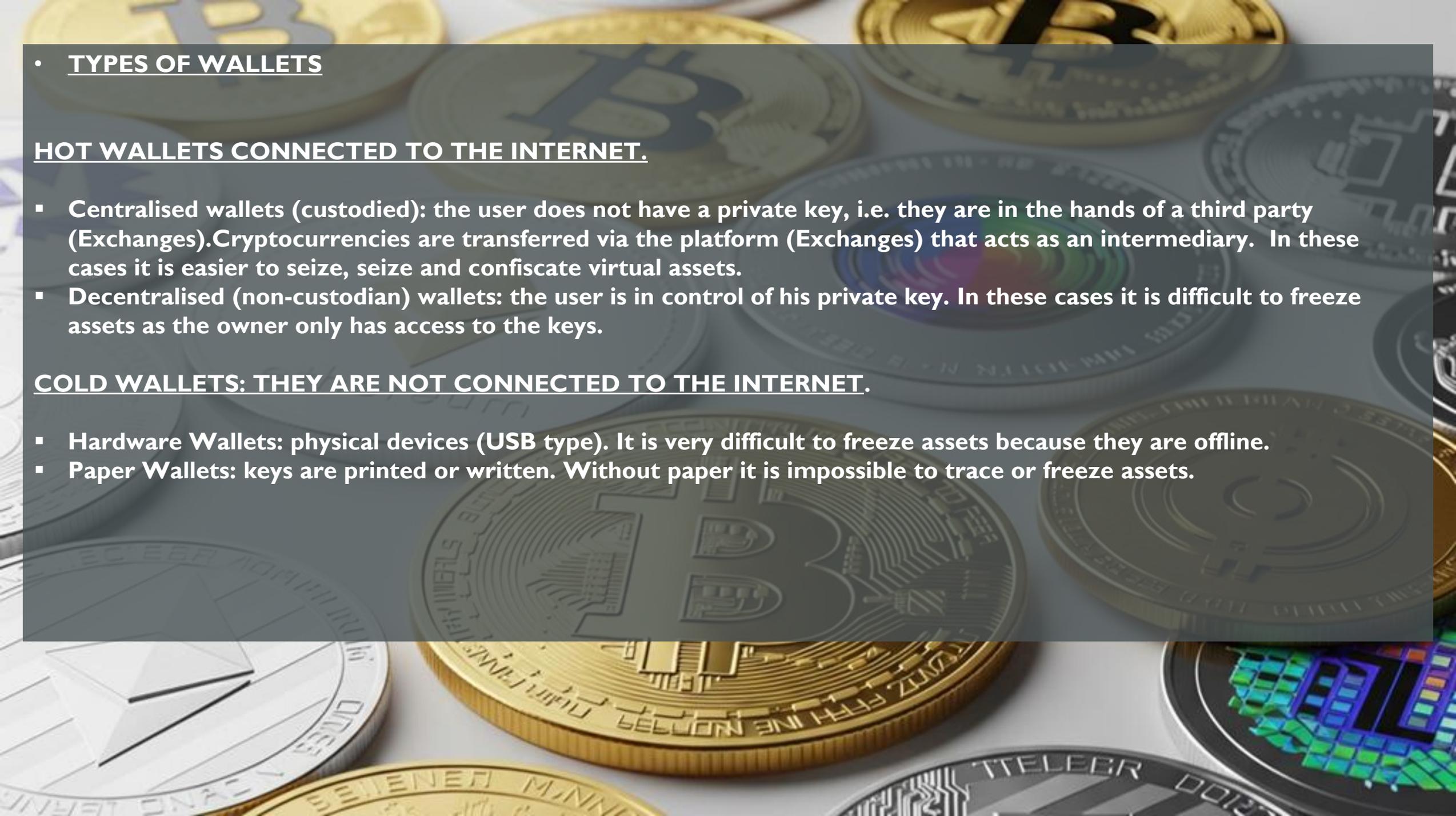
In that order, we can mention FATF recommendation No. 15, which indicates that countries should ensure the regulation of virtual service providers (VSPs). In terms of criminal prosecution, it is important that there are legal tools that allow law enforcement agencies to seize, seize and confiscate cryptocurrencies that are the proceeds of illicit activity.

- **INTERNATIONAL COOPERATION**

This is a challenge in addition to the lack of international consensus on the regulation of cryptocurrencies.

Companies move their operations to countries with more lax regulations, allowing evasion and shifting of the tax base.

Cooperation between states to prosecute crimes involving cryptocurrencies is also relevant. International cooperation is also important given the inherently global nature of virtual assets (such as cryptocurrencies).



- TYPES OF WALLETS

- HOT WALLETS CONNECTED TO THE INTERNET.

- **Centralised wallets (custodied):** the user does not have a private key, i.e. they are in the hands of a third party (Exchanges). Cryptocurrencies are transferred via the platform (Exchanges) that acts as an intermediary. In these cases it is easier to seize, seize and confiscate virtual assets.
- **Decentralised (non-custodian) wallets:** the user is in control of his private key. In these cases it is difficult to freeze assets as the owner only has access to the keys.

- COLD WALLETS: THEY ARE NOT CONNECTED TO THE INTERNET.

- **Hardware Wallets:** physical devices (USB type). It is very difficult to freeze assets because they are offline.
- **Paper Wallets:** keys are printed or written. Without paper it is impossible to trace or freeze assets.



- **THE USE OF MIXERS OR SWITCHES**

According to the FATF the use of these tools increases anonymity which increases the risk of ML/TF. Another risk is the possibility of one person having control of multiple 'virtual wallets'.

- **IMPACT ON THE ENVIRONMENT**

There is no consensus on the environmental cost of crypto-asset mining, it is important that states commit to studying the environmental effects and the carbon footprint of this activity in order to obtain solid data. Measures need to be taken to protect the environment in the face of the growing participation of investors in crypto-asset markets.

- **TRAINING**

Continuous and up-to-date theoretical and practical training on cryptocurrencies is needed for financial crime investigators to improve the results of their investigations.

At the same time, the public should be provided with training programmes in the face of the growing number of fraud schemes involving cryptocurrencies.

REGULATION IN ARGENTINA

□ FIU RESOLUTION 300/2014:

‘Virtual currencies’ shall mean a digital representation of value that can be digitally traded and whose functions are to constitute a medium of exchange, and/or a unit of account, and/or a store of value, but which are not legal tender. In this sense, virtual currencies differ from electronic money, which is a mechanism for digitally transferring fiat currencies, i.e. by which currencies that are neither legal tender in any country or legal jurisdiction, nor issued or guaranteed by any country or jurisdiction, are transferred electronically" (art. 2).

□ Law N° 27.739 (March 2024):

This law amended Law 25.246 (Concealment and laundering of assets of criminal origin. Financial Information Unit), incorporating the following definitions:

Virtual assets: "...the digital representation of value that can be traded and/or transferred digitally and used for payments or investments. Under no circumstances shall a virtual asset be understood to be currency that is legal tender in national territory and currencies issued by other countries or jurisdictions (fiat currency)" (art. 4 bis).

REGULATION IN ARGENTINA

▪ **Virtual Asset Service Provider (VASP)**

- *"Any human or legal person that, as a business, carries out one (1) or more of the following activities or transactions for or on behalf of another human or legal person:*
 - *i. Trading between virtual assets and legal tender (fiat currencies);*
 - *ii. Trading between one (1) or more forms of virtual assets;*
 - *iii. Transfer of virtual assets;*
 - *iv. Custody and/or management of virtual assets or instruments enabling control over virtual assets; and*
 - *v. Participation in and provision of financial services related to the offering of an issuer and/or sale of a virtual asset" (art.4a).*

VSPFs are obliged to report to the Financial Information Unit (FIU) (art. 20, sub. 13 of Law No. 25246).

REGULATION IN ARGENTINA

□ Tax Matters:

▪ **Income Tax:**

In December 2017, Law No. 27,430 incorporated the term "digital currencies", equating their tax treatment to that of traditional financial assets.

<https://servicios.infoleg.gob.ar/infolegInternet/anexos/305000-309999/305262/texact.htm>

▪ **Personal Property Tax:**

In relation to the holding of cryptocurrencies or cryptoassets with respect to this tax, there is no specific regulation.

However, through **Opinion No. 2/2022**, the Customs Collection and Control Agency (ARCA) expressed its legal opinion considering that the same are taxed under the Personal Property Tax:

"Cryptocurrencies can be characterised as a new kind of financial asset, non-traditional and based on blockchain technology which is, in short, about an electronic notation that incorporates the right to a certain amount of money, which can be classified as securities, since they have the main characteristics of the latter, i.e. they are securities incorporated into a register of account entries -the blockchain-; they are homogeneous and fungible goods in the terms of article 232 of the Civil and Commercial Code; their issuance or grouping is carried out in series -conformed by each block that integrates the chain- and; they can be susceptible to generalised and impersonal traffic in the financial markets. "

<https://www.afip.gob.ar/economia-digital/criptoactivos/impuesto-sobre-los-bienes-personales.asp>

<https://biblioteca.afip.gob.ar/dcp/DID K 000002 2022 06 16>

REGULATION IN ARGENTINA

➤ **Creation of the Registry of Virtual Service Providers (art. 37 of Law No. 27.739)**

Establishes the National Securities Commission (CNV) as the authority for the application of the VSP Registry.

<https://www.cnv.gov.ar/SitioWeb/ProvedoresServiciosActivosVirtuales/RegistrosPSAV>

□ **CNV General Resolution No. 994 (March 2024)**

According to this resolution, all individuals or legal entities that carry out activities as virtual asset service providers are required to register in the aforementioned registry in order to be able to offer such services. It also establishes the requirements for registration.

<https://www.argentina.gob.ar/normativa/nacional/resoluci%C3%B3n-994-2024-397598/texto>

GUIDELINES AND PROTOCOLS

- ❖ “Protocolo general de actuación destinado a primeros intervinientes para la identificación y secuestro de potenciales elementos de prueba de criptoactivos” aprobado por el Ministerio de Seguridad de la Nación (2025).

<https://www.argentina.gob.ar/normativa/nacional/resoluci%C3%B3n-117-2025-408838/texto>

- ❖ “Guía práctica para la identificación, trazabilidad e incautación de criptoactivos del Ministerio Público Fiscal de la Nación” (2023).

https://www.mpf.gob.ar/ufeci/files/2023/05/Informe_Criptoactivos.pdf

- ❖ “Protocolo para la identificación, recolección, preservación, procesamiento y presentación de evidencia digital del Ministerio público Fiscal de la Nación y el Ministerio de Seguridad” (2023).

<https://www.fiscales.gob.ar/wp-content/uploads/2023/04/MINSEG-MPFN-Protocolo-evidencia-digital-2.pdf>

- ❖ “Guía de Buenas Prácticas para obtener evidencia en el extranjero del Ministerio Público Fiscal “(2020).

<https://www.mpf.gob.ar/ufeci/files/2021/07/UFECI-2020-Gui%C3%81a-de-Evidencia-Digital.pdf>

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THANK YOU
VERY MUCH!