



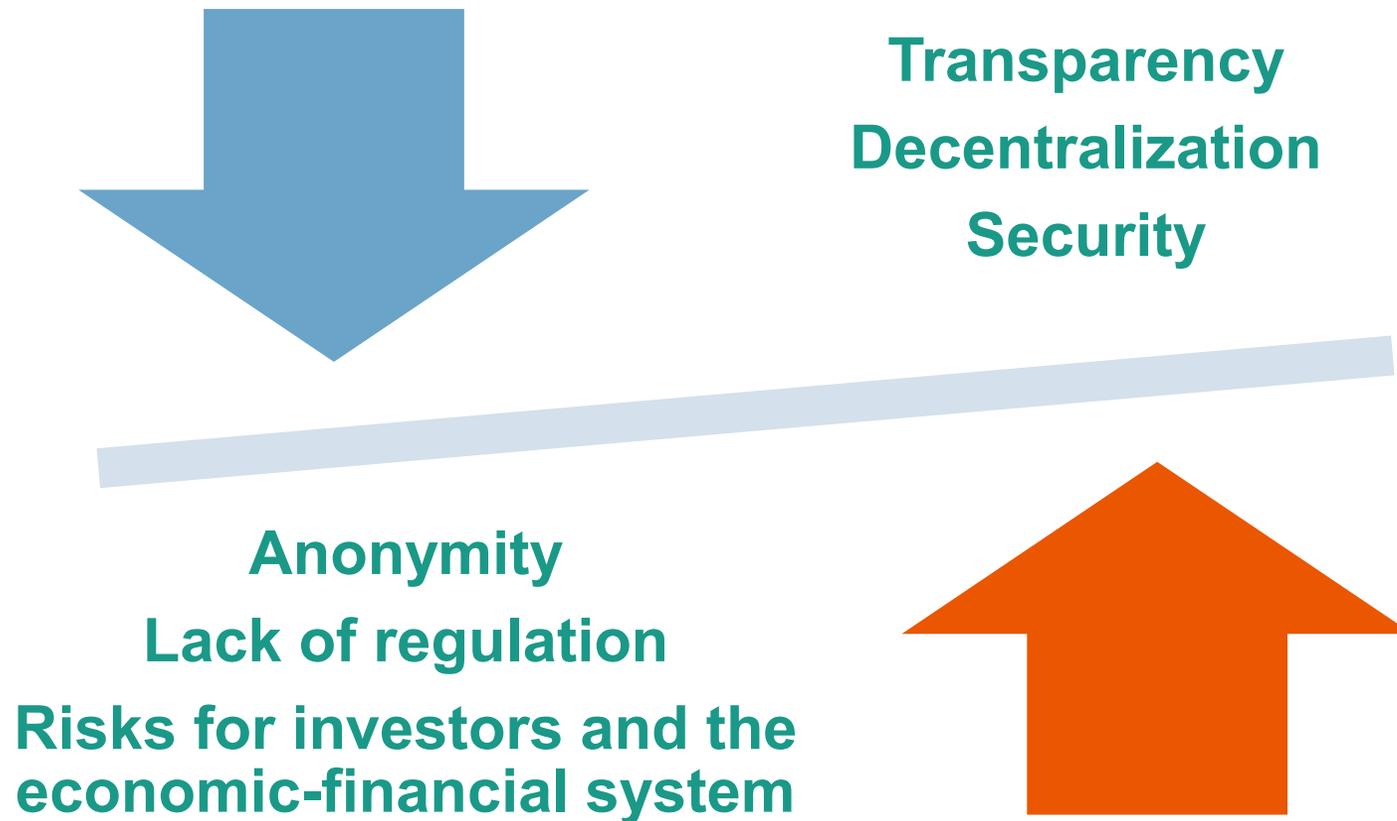
CRYPTO (INTRO)

Lido di Ostia
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New technologies, products, and related services have the potential to spur financial innovation and efficiency and improve financial inclusion, but they also create new opportunities for criminals and terrorists to launder their proceeds or finance their illicit activities.



*FATF (2021), Updated Guidance for a Risk-Based Approach to Virtual Assets and Virtual Asset Service Providers, FATF, Paris,
www.fatf-gafi.org/publications/fatfrecommendations/documents/Guidance-RBA-virtual-assets.html*



TRACEABILITY

- Virtual currencies developed on public blockchains represent a form of money that is easily traceable.
- All transactions carried out are publicly accessible by consulting the blockchain by operators with adequate professionalism.

ANONYMITY (or pseudonymity)

The characteristics of DLTs do not allow to identify the actual executor of the operations performed on blockchain but to merely trace the pseudonym (number, identification code, nickname) of the subject who operated.

Need for operators who provide services connected to crypto assets to guarantee adequate forms of identification of their customers.

“Anonymity-based
cryptocurrencies” (AEC)

Mixing and tumbling
services

Decentralized platforms and
exchanges and other types
of products and services
that facilitate or allow
reduced transparency and
increase the obfuscation of
financial flows

Freedom from territorial profiles

International Cooperation
Operators based in non collaborative foreign states

Focus *fintech*

Similar problems are also encountered in relation to sites and platforms that offer cross-border payment services.

Lack of a regulatory framework of reference

- Crypto asset market is not regulated
- Initiatives by individual countries are fragmented, proving to be scarcely effective in countering a phenomenon that escapes the concepts of territoriality typical of national legal systems.



RISKS RELATED TO CRYPTO MARKETS

INVESTORS AND SAVERS

- *absence of supervisory and regulatory authorities;*
- *poor availability of information regarding the methods of determining prices;*
- *the volatility of prices;*
- *the complexity of the underlying technologies;*
- *the absence of legal and contractual protections, of information obligations on the part of operators and of specific forms of supervision on such operators as well as of rules to safeguard the sums used.*

RISKS RELATED TO CRYPTO MARKETS

ECONOMIC-FINANCIAL SYSTEM

- *Fraud and market manipulation, especially in relation to initial coin offerings (ICOs);*
- *Money laundering and terrorist financing;*
- *Tax evasion*

CRYPTO ASSETS

The EU AML/CFT framework is only as strong as its weakest link and any shortcomings of a competent national authority create risks for the entire single market.

Reg. (UE) 2023/1114, 31 /05/ 2023 (MiCA - Markets in cryptoassets Regulation)

- Transparency and disclosure obligations
- Preventive measures against insider trading and market manipulation
- Protection of customers of crypto-asset service providers
- Protection of crypto-asset holders
- Authorization and supervision

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