Reducing illicit financial and arms flows to achieve target 16.4 of the Sustainable Development Goals

Illicit firearms trafficking and the use of cryptocurrencies.

Vienna, 10–12 May 2021
CONTENT

- Cryptocurrencies: Challengees for financial investigations
- Criminal use of cryptocurrencies.
Previous WG recommendations

- Conducting concurrent investigations into possible illicit firearms trafficking and related financial crimes
- Use of virtual assets in financial flows linked with illicit trafficking of firearms.
- Cryptocurrencies ensure high levels of privacy.
- New trends in crypto assets
DIGITAL MONEY

- Bank accounts
- Credit cards
- Paypal payments...
OPTIONS TO TRADE CRYPTOCURRENCIES

• Online exchanger.
• Private transactions between users.
• Exchange during agreed physical appointments.
• Mining.
• Purchase of goods or services – both online and offline;
• Payment card schemes.
• Bitcoin ATM
Anonymity of cryptocurrencies

- Alt-coins.
- Use of “Straw men”
- Coin Mixers.
- Dark Wallets
- Z-Pay.
RISKS OF CRYPTOCURRENCIES

- Easy online access and global reach.
- Highly mobile nature of virtual currencies/crypto-assets.
- Anonymity.
- Difficult to track.
- Difficult to obtain information in due time. Most of key players in cryptocurrency markets, are not included in AMLD.
- Difficult to seize and manage.
POTENTIAL USE

- Finance the illicit purchase of weapons (dark web)
- Avoid financial sanctions.
- Crowdfunding by terrorist organizations.
- Money laundering.
• Request UNODC to provide capacity building for LEA and Judges in the area of audit and investigation of virtual assets, for their investigations on firearms trafficking and related crimes.

• Promote international standards for the regulation of these virtual assets.
QUESTIONS?

MIGUEL ANGEL FUENTES PENIZA

DESK OFFICE FOR CONVENTIONAL DISARMAMENT AND EXPORT CONTROL.

MINISTRY OF FOREIGN AFFAIRS, EUROPEAN UNION AND COOPERATION.

Phone: +34 91 379 17 59.

Email: mangel.fuentes@maec.es