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XLV MEETING OF THE GROUP OF EXPERTS
FOR THE CONTROL OF MONEY LAUNDERING
October 4 -5, 2018
Santa Cruz de la Sierra, Bolivia

EA/ Ser.L/IV. 4.45
DDT/LAVE/doc.17/18
October 4, 2018
Original: Spanish

PRESENTATION
STUDY ON NEW AML / CFT TRENDS, SPECIFICALLY THE USE OF VIRTUAL CURRENCY.

STUDY ON NEW AML / CFT TRENDS, SPECIFICALLY THE USE OF VIRTUAL CURRENCY

SUB-WORKING GROUP ON FINANCIAL INTELLIGENCE UNITS AND LAW ENFORCEMENT AGENCIES GELAVE / SANTA CRUZ DE LA SIERRA, BOLIVIA

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on Financial Intelligence Units and Law Enforcement Agencies



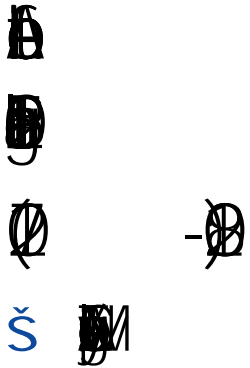
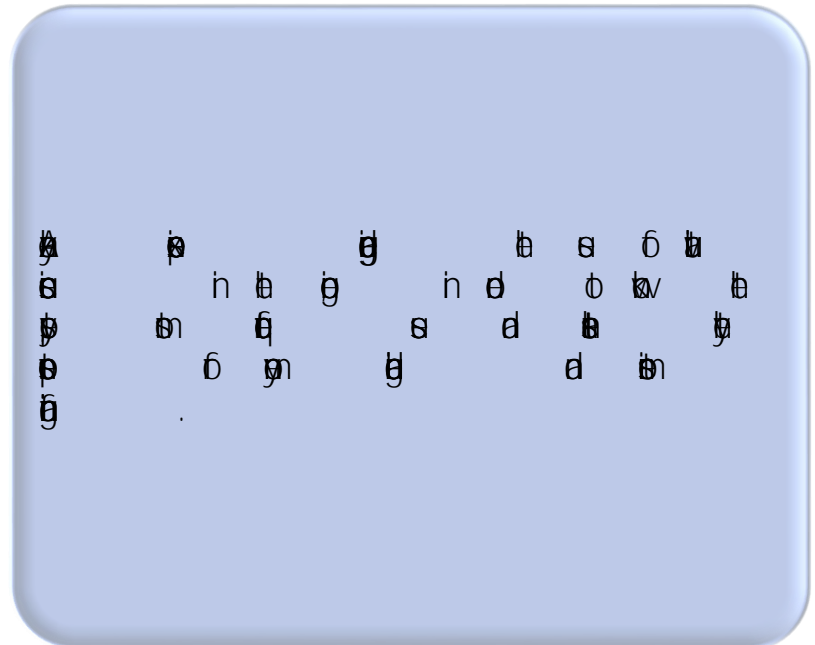
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STUDY ON NEW AML / CFT TECHNOLOGIES, SPECIFICALLY THE USE OF VIRTUAL CURRENCY

GENERAL OBJECTIVE



STUDY



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SPECIFIC OBJECTIVES

- To identify the risks associated with the use of virtual currencies in the financial system.
- To analyze the impact of virtual currencies on the money laundering and terrorist financing cycle.
- To identify the measures that should be implemented to mitigate the risks associated with the use of virtual currencies.
- To identify the measures that should be implemented to enhance the effectiveness of the AML/CFT framework in the context of virtual currencies.



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METHODOLOGY

Š The purpose of this study is to analyze the use of virtual currencies in the financial system, specifically in the context of anti-money laundering (AML) and counter-terrorist financing (CTF) measures.

Š The methodology employed in this study is a combination of qualitative and quantitative research. The qualitative component involves interviews with experts in the field of virtual currencies and AML/CTF, as well as a review of relevant literature and regulatory frameworks. The quantitative component involves the analysis of transaction data from virtual currency exchanges and other financial institutions.

Š The data collected for this study was obtained from a variety of sources, including public databases, industry reports, and confidential sources. The data was analyzed using a range of statistical techniques, including regression analysis and correlation analysis, to identify trends and patterns in the use of virtual currencies.

Š The findings of this study indicate that the use of virtual currencies is increasing rapidly, and that this poses significant challenges for AML and CTf measures. In particular, the anonymity and cross-border nature of virtual currencies make them particularly attractive to criminals and terrorists. However, there are also opportunities to use virtual currencies to improve AML and CTf measures, such as through the use of blockchain technology and other digital tools.



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SOME BASIC CONCEPTS:

Virtual currency: is a digital or electronic form of money that is used for transactions on the internet. It is not issued by a central bank or government, but it can be used to buy goods and services. There are three types of virtual currencies: (1) digital currencies, (2) digital tokens, and (3) digital coins. Digital currencies are created using blockchain technology (e.g., Bitcoin, Ethereum). Digital tokens are created by a company and are used to buy goods and services from that company. Digital coins are created by a company and are used to buy goods and services from that company. Virtual currencies are not legal tender, but they can be used to buy goods and services. They are also used for online gaming and other digital activities. Virtual currencies are not subject to the same regulations as traditional currencies. They are often used to avoid taxes and other financial regulations. Virtual currencies are also used for money laundering and other illegal activities. Virtual currencies are a new and rapidly growing market. They are expected to continue to grow in the future.



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SOME BASIC CONCEPTS:

E-money: It is a digital form of money that is stored electronically and can be used for transactions. It is often used in online environments and is subject to the same regulatory requirements as physical cash. It is a form of electronic payment that is used to purchase goods and services. It is a digital representation of fiat money that is used for transactions. It is a form of electronic payment that is used to purchase goods and services. It is a digital representation of fiat money that is used for transactions.



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SOME BASIC CONCEPTS:

Convertible (or open) virtual currency: is a type of virtual currency that can be exchanged for fiat currency or other virtual currencies.

Dark wallet: is a type of virtual wallet that is used to store and manage virtual currencies in a way that is not traceable by third parties.



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RISKS ASSOCIATED WITH THE USE OF VIRTUAL CURRENCIES

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RISKS ASSOCIATED WITH THE USE OF VIRTUAL CURRENCIES

- The use of virtual currencies allows for the concealment of the origin of funds, making it difficult to trace the flow of money.
- Virtual currencies are often used to facilitate the payment of bribes and other illicit transactions.
- The use of virtual currencies can also be used to launder money from other sources, such as drug trafficking or human trafficking.
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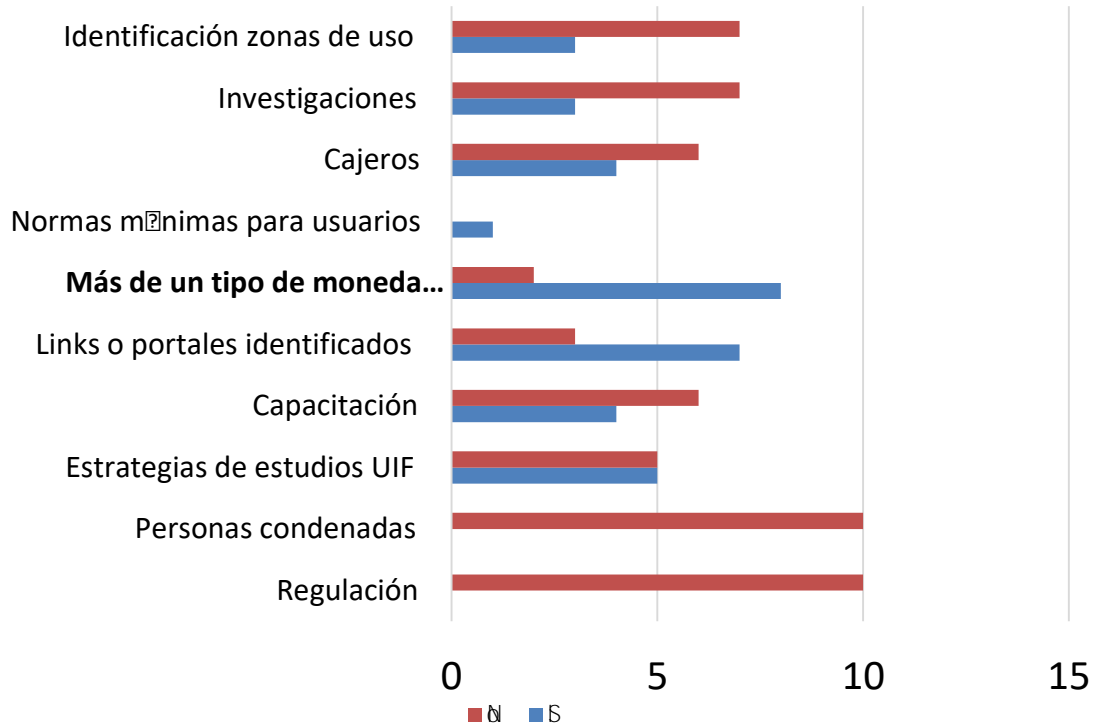
STUDY ON NEW TRENDS AND TECHNOLOGIES OF MONEY LAUNDERING SPECIFICALLY IN THE USE OF VIRTUAL CURRENCY

Questions	Yes	No
Regulation	0	0
Convictions	0	0
Strategic Analysis by the FIU	5	5
Training	4	6
Links or Web Sites identified	7	3
More than one virtual currency identified	8	2
Minimum requirements for users	1	0
ATMs	4	6
Investigation	3	7
Identification of use zones	3	7
Totals	8	8



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From this relevant facts, the following scenario can be seen:

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STUDY IN NEW TECHNOLOGIES OF MONEY LAUNDERING SPECIFICALLY IN THE USE OF VIRTUAL CURRENCY

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- Challenges:

1. The first challenge is the lack of information on the part of the authorities regarding the use of virtual currencies.
2. The second challenge is the lack of legal framework in many countries regarding the use of virtual currencies.
3. It is important to note that the use of virtual currencies is not limited to the purchase of goods and services, but also to the transfer of funds.
4. The third challenge is the lack of cooperation between the different countries in the region.
5. The fourth challenge is the lack of technical resources to detect and prevent the use of virtual currencies.

THANKS !!!!

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