Chapter-11

CRYPTOCURRENCY & MONEY-LAUNDERING: UNVEILING THE CONNECTIONS

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ABSTRACT

Cryptocurrency's rise in digital age has transformed finance attracted a wide range of investors, from beginners to experts, all eager to seize opportunities in this new digital frontier. However, these advancements have opened doors to emerging opportunities for unlawful endeavours, one significant area where this is evident is in realm of money laundering. This paper delves into intricate web of connections between cryptocurrency money laundering. By providing a simplified understanding of cryptocurrency its core technology, we lay groundwork for comprehending how it is used as a tool for money laundering. We take a close look at real-world cases to illustrate practical applications of cryptocurrency in money laundering schemes. This analysis offers a vivid picture of methods utilized by criminals to take advantage of decentralized nature anonymity employed by criminals to exploit the anonymity decentralization offered by digital currencies. Furthermore, we investigate efficacy of existing measures like Know Your Customer (KYC) protocols Anti-Money Laundering (AML) regulations in preventing money laundering through cryptocurrencies. regulatory measures, such as Know Your Customer (KYC) Anti-Money Laundering (AML) requirements, in deterring cryptocurrency-based money laundering. In conclusion, this paper seeks to provide a clear practical knowing appreciation of connections between of cryptocurrency with money laundering. By emphasizing real-life examples regulatory hurdles, it contributes to a broader awareness of evolving landscape of financial crimes in digital realm. Paper delves into effectiveness of existing regulatory measures, such as KYC AML requirements. This legal issue pertains to whether these measures are keeping pace with evolving landscape of financial crimes involving cryptocurrencies.

Keywords: Cryptocurrencies, Money Laundering, Anti-Money Laundering, Economic Incentives, Know Your Custom.

INTRODUCTION

In recent years, meteoric emergence of cryptocurrencies has introduced a new era in financial transactions, redefining traditional concepts of currency. Rise of cryptocurrencies has ushered in a new era of financial transactions, challenging traditional notions of currency, revolutionizing the global economic landscape. Decentralized pseudonymous nature of cryptocurrencies, such as Bitcoin Ethereum, has undoubtedly brought about unprecedented opportunities for innovation, financial inclusion. However, as the adoption of these digital assets has surged, so too has the concern surrounding illicit activities, particularly nefarious practice of money laundering.

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