

## Global Regulators to Maintain AML Pressure on the Cryptocurrency Industry

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On February 23, the Financial Action Task Force (FATF) [signaled](#) that the inter-governmental body “will step up its efforts in monitoring the use of cryptocurrencies in money laundering.” While the 37-member international body remains without an official policy for implementation, the pronouncement nonetheless demonstrates the heightened Anti-Money Laundering (AML) concern from regulators across the globe concerning illicit uses of cryptocurrency.

Notably, the FATF’s pronouncement comes on the heels of recent enforcement-related measures taken in various countries. As we previously have [blogged](#), the European Parliament and its executive arm, the European Council, recently agreed to an amendment to the Fourth Anti-Money Laundering Directive to include measures targeting exchange platforms for virtual currencies, such as Bitcoin, as well as prepaid cards. More recently, France’s top financial markets regulator [issued](#) a statement that online trading platforms for cryptocurrency derivatives fall under the European Union’s central legislation regulating financial markets. In the U.K., the Parliament’s Treasury Committee [announced](#) on February 22 that it has launched a probe to examine both the impact of cryptocurrencies on financial institutions and how best to police the new technology. Meanwhile, South Korea’s ban on anonymous trading of cryptocurrencies—part of the country’s new policies which represent the first AML guidelines for cryptocurrencies among the nations of the FATF—took effect on January 30.

The United States is also part of this growing global focus on cryptocurrencies and related concerns involving AML and money laundering. For example, during his recent [remarks](#) at the Financial Services Roundtable’s Spring Conference on February 26, Deputy Attorney General Rod Rosenstein announced that the Department of Justice is developing a “comprehensive strategy” to address the concern that cryptocurrencies may be used for money laundering.

Given regulators’ intense focus on the burgeoning industry, it is likely that cryptocurrencies will be a topic of discussion at the upcoming G20 summit in Buenos Aires, Argentina. Notably, in a February 7 [letter](#) to Nicolas Dujovne, the current president of the G20 and Argentina’s Minister of Finance, the finance ministers and central bank governors of France and Germany requested that cryptocurrencies be placed on the agenda. Moreover, during a recent event hosted by the Economic Club of Washington, Treasury Secretary Steven Mnuchin said the U.S. will work with G20 nations to ensure cryptocurrency accounts do not “become the Swiss-numbered bank accounts.”----