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INTERNATIONAL ECONOMIC SANCTIONS AGAINST THE RUSSIAN FEDERATION AND CRYPTOCURRENCIES: LEGAL ASSESSMENT

Abstract. ***Purpose of the article*** is to assess legal possibilities of using cryptocurrencies by the Russian Federation in order to evade international economic sanctions and formulate appropriate proposals.

Research methods. The paper is executed by applying the general research and special methods of scientific cognition.

Results. The article is devoted to the legal assessment of the possibilities of using cryptocurrencies by the Russian Federation in order to evade international economic sanctions with further substantiation of relevant proposals. It is proved that the cryptocurrency market cannot fully replace classical financial mechanisms for the Russian Federation, as the aggressor country. Therefore, we can talk about individual cases of withdrawal by residents of the Russian Federation of their own assets out of sanctions in the form of cryptocurrency with their subsequent conversion into fiat currencies. It is noted that legal operators of the virtual assets market, as well as professional participants involved in the chain of transactions with virtual assets, carry out their activities in accordance with the requirements of FATF and national legislation on prevention of funds laundering and combating terrorism. At the same time, it is established that the use of decentralized cryptocurrency exchange (DEX) and technologies increasing the anonymity of transactions (in particular, bitcoin mixer (tumbler), private, decentralized cryptocurrency (Monero), shadow banking), creates grounds to evade the norms of prevention and counteraction money laundering, terrorist financing and financing of the proliferation of weapons of mass destruction, and negate the effect of international economic sanctions.

Conclusions. International initiatives regarding the legal regulation of stablecoins create risks for the Decentralized Finance industry and for using the decentralized crypto-asset market for fraud, including circumventing sanctions, but, at the same time, do not fully mitigate the risks associated with the circulation of stablecoins. Accordingly, the arguments in favor of taking appropriate international legal measures aimed at combating shadow banking and organizing the circulation of virtual assets are expressed. Thus, only cryptocurrencies, which are secured by currency values, securities or derivative financial instruments at the moment of their introduction and during the whole period of their stay in circulation, should be subject to conversion into fiat currencies.

Key words: cryptocurrencies, evasion of international economic sanctions, transactions, circulation of financial virtual assets, cryptocurrency exchanges, fiat currencies.

1. Introduction

On February 24, 2022, the Russian Federation launched a large-scale military invasion of Ukraine, which marked a sharp aggravation of the 2014 conflict. As a result, some foreign countries (the United Kingdom, the United States, Canada, Germany, France, and others) have introduced economic sanctions, in particular, removed a number of Russian banks from the international payment system SWIFT (Society for Worldwide Interbank Financial Telecommunication), partially blocked bank accounts of legal entities and individuals involved in such an invasion, etc., and pushed for the active use of virtual assets (in particular, cryptocurrencies).

As it is known, due to the fragmentation of the legal regulation of the circulation of virtual assets, incl. cryptocurrencies, at the international level, the lack of unity of scientific approaches concerning the nature of cryptocurrencies and their institutional impact on the economy, there are cases where the mentioned kind of virtual assets are used to achieve goals contrary to public order. Accordingly, the said may indicate interest from residents of the Russian Federation (according to Cambridge University, Russia takes the third place in the world in the production of biotkoins (Bitcoin Mining Map, 2022) – *author's note*) to use cryptocurrencies in order to evade economic sanctions. For example, today the Government of the Russian Federation plans, at the legislative level, to allow settlements on foreign economic contracts in cryptocurrencies (Financial Club, 2022) and legalize mining with the purpose of transformation of energy resources into digital financial assets. These opportunities may be minimised by appropriate national and international legislation, including legal rules which define the specifics of identifying and controlling cryptocurrency transaction subjects. And various international organizations, such as the Financial Action Task Force on Money-laundering Financial Action Task Force on Money Laundering – FATF), and the states have recently been working in this direction. Therefore, the issue of the sufficiency of existing legal norms for the fulfillment of the above-mentioned task and the necessity of their improvement taking into account modern challenges becomes of particular importance.

In general, the issue of the possibility and legality of using virtual assets during the period of economic instability, in particular, the application of economic sanctions, has long been in the focus of a large number of leading scientists both at the domestic and international levels.

In particular, the analysis of relevant aspects is conducted in the contributions of such Ukrainian scientists as: S. Volosovich (Volosovych, 2016), A. Malynovska (Malynovska, 2019), and others. In their works, the authors mostly note that "the important role in the formation and use of virtual assets is played by interested countries, which are under threat of international sanctions".

Among the foreign studies on the relevant subject, the following works should be specified: P. Antonopolous, E. Bouri, D. Cottle, L. Dinarte, N. Jalkh, D. Jaume, E. Medina-Cortina, P. Molnar, P. dos R. Nunes, D. Roubaud, H. Winkler etc. Unlike the papers of domestic scientists, the studies are devoted to the analysis of the peculiarities of using virtual assets as a safe alternative to fiat currencies amidst economic and geopolitical chaos.

For example, E. Bouri, N. Jalkh, P. Molnar and D. Roubaud in the work **"**Bitcoin for energy commodities before and after the December 2013 crash: diversifier, hedge or safe haven?**"** (Bouri et al., 2017) argue that the financial crisis of 2008 was the catalyst for Bitcoin's emergence and growing popularity as a virtual asset and an alternative currency for the economy. Other studies have analyzed the role of cryptocurrency as an instrument for easing international economic sanctions in Venezuela (Antonopolous et al., 2019), Iran (Farzanegan et al., 2016; Farzanegan, Hayo, 2019; Gharibnavaz, Waschik, 2018; Farzanegan, Fischer, 2021), etc.

Despite numerous publications, current trends in the legal possibilities of using virtual assets by the Russian Federation, particularly cryptocurrencies, as an instrument to weaken economic sanctions remain poorly investigated. Moreover, the above-mentioned studies focus on the experience of countries with much smaller economies and transactions in the international financial system.

The *purpose of the article* is to assess legal possibilities of using cryptocurrencies by the Russian Federation in order to evade international economic sanctions and formulate appropriate proposals.

In order to achieve the stated aim of the article and ensure the scientific validity of the research results, a set of general and specific scientific *methods* was used. Taking into account the complexity and multidimensional character of the subject of research, modern methodological approaches have been applied: analytical-synthetic, hermeneutic, comparative legal, praxeological, simulation and prognostic, generalization.

The application of the analytical-synthetic method has enabled to find out the possibilities and legitimacy of the use of virtual assets during the period of economic instability, in particular the application of economic sanctions.

The use of the hermeneutical, comparative legal methods made it possible to analyze and compare the content of the norms in international acts and norms reflecting the specifics of identification and verification of counterparties of the virtual asset market. Praxiological, simulation and predictive methods were used to determine the prospects for regulating the circulation of virtual assets, taking into account current global challenges. The generalization method was used to formulate conclusions, recommendations and suggestions.

2. Legislative barriers to evade economic sanctions with cryptocurrencies

International and national regulation of virtual assets clearly extends to operations with virtual assets requirements for prevention of funds laundering (Ustymenko, Polishchuk, 2018).

In October 2018, FATF adopted amendments to its recommendations to clearly explain what they apply to financial activities related to the circulation of virtual assets and added two new definitions in the glossary, *virtual asset* (VA) and *virtual asset service provider* (VASP) (FATF, 2018).

The amended FATF Recommendation 15 requires that virtual asset service providers be regulated for anti-money laundering and countering the financing of terrorism purposes, that they be licensed or registered, and subject to effective systems for monitoring or supervision (FATF, 2021). For example, the world's largest crypto exchange, Binance, has entered the Digital Asset Service Provider (DASP) in the French register. Consequently, Binance's activities fall under the influence of the Autorité des Marchés financiers, the body responsible for overseeing the French financial market. This will allow Binance to officially provide services in the trade and storage of Bitcoin as well as other cryptocurrencies. In fact, France became the first European country to approve Binance's activities. In Lithuania, this cryptocurrency exchange is followed by regulators in the area of money laundering, and it is only in the process of registration in Sweden (Hryhoriev, 2022; DASP, 2022).

In June 2019, FATF adopted an explanatory note to recommendation 15 to further clarify how FATF requirements should be applied to implement a risk-based approach to VASP or virtual asset operations; to monitor or monitor VASP activities for the purpose of countering money laundering and terrorist financing; licensing or registration; safety measures such as forced client blocking, documentation and reporting of suspicious transactions; sanctions and other legal measures; international cooperation.

By the way, FATF recommendations, which are implemented in the legal system of Ukraine (on the basis of the Law of Ukraine "On Prevention and counteraction to Legalization (laundering) of proceeds derived from crime, financing terrorism and financing of proliferation of weapons of mass destruction" of December 19, 2020), further tighten the requirements for identification and verification of counterparties and maintenance of their operations.

The general tendencies of state regulation of blockchain technologies and virtual assets market are in regulation of existing social relations, taking into account acts of international and European law, which provide:

– Protection of Personal Data (Directive 95/46/EC of the European Parliament and the Council of Europe of October 24, 1995 on the protection of individuals with regard to the processing of personal data and on the free movement of such data);

– Identification and verification of economic entities (FATF recommendations, "White Book. A blockchain in Trade Facilitation" of the Commission on Trade Facilitation and Electronic Business of the United Nations Economic Commission for Europe);

– Prevention of money laundering proceeds from crime (FATF recommendations, 4-a Directive (EU) 2015/849 on prevention the use of financial system for money laundering and terrorist financing and Regulation (EU) 2015/847 on information on the payer accompanying transfers of funds);

– Preventing tax evasion (the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting, dated November 24, 2016).

Considerable attention to transparency of transactions with cryptocurrencies and disclosure of full information about participants of such transactions was paid in the initiative "Markets in Crypto-Assets Regulation" (MICA), which was adopted by the European Parliament's Committee on Economic and Monetary Affairs at the end of March 2022.

The initiative aims to support innovation and fair competition by creating a framework for the issuance, and provision of services related to crypto-assets. In addition, it strives to ensure a high level of consumer and investor protection and market integrity in the crypto-asset markets, as well as address financial stability and monetary policy risks that could arise from a wide use of crypto-assets and DLT-based solutions in financial markets.

The document is currently being discussed in the European Council and the European Commission. It is likely that this initiative may become a full-fledged European legal act.

It is important to note that in March 2022 the European Parliament adopted another important decision for the cryptoindustry, extending the Transfer of Funds Regulation (TFR) to cryptocurrencies. If it enters into force, any transfers using cryptocurrencies will include identification of participants.

At the same time, rules for circulation of virtual assets are even tougher compared to traditional money. In particular, the recipient will be identified regardless of the size of the transfer, although in the case of traditional money, the identification starts when the transfer amount is more than 1 thousand euros.

Moreover, if the service provider notices that the information provided is inaccurate, incomplete or suspicious, the latter must "taking into account the risk" assess whether the transaction should be rejected or suspended, and report it to the appropriate financial intelligence unit. Thus, the European Commission is trying to completely eliminate anonymity and significantly expand the possibilities for financial monitoring (Domina, 2022).

Attempts of economic entities and authorities of the Russian Federation to create their own surrogate payment means and crypto-exchanges (Suslov, 2022) triggered a mixed reaction (Bartenstein, Versprille, 2022) and counter-measures from the USA (as the main sanctions aggregate).

One of the first official warnings to cryptocurrency participants was sent by the American regulator – Financial crimes enforcement Network (FinCEN, 2022b), which states: "Although a large-scale deviation from sanctions using a convertible virtual currency (CVC) the government, such as the Russian Federation, does not necessarily have to be practical. The CVC, administrators, and other financial institutions may observe attempts or completed transactions involving wallets in the CVC or other sanctions-related activities of the CVC. In addition, FinCEN reminds financial institutions of the dangers posed by Russian-related ransomware campaigns. All financial institutions – including those with visibility into cryptocurrency or CVC flows, such as CVC exchangers and administrators – should identify and report suspicious activity associated with potential sanctions evasion quickly and conduct appropriate, risk-based customer due diligence or enhanced due diligence where required. Financial institutions are also encouraged to make full use of the information sharing authorities provided by Section 314(b) of the USA PATRIOT Act".

Thus, the informational warning of market participants about the necessity of control over operations and the reminder about extension to operations with crypto assets of the requirements of the USA PATRIOT Act Section 314(b), which "permits financial institutions, upon providing notice to the United States Department of the Treasury, to share information with one another in order to identify and report to the federal government activities that may involve money laundering or terrorist activity" was carried out (FinCEN, 2022c).

Therefore, the spread of requirements for identification and verification of virtual assets market contractors are generally accepted, mandatory and they are improving given modern challenges. Providers of services related to the circulation of virtual assets (crypto-exchanges, etc.) operating within the framework of the legal field of the EU, USA and other countries are obliged to monitor and identify the origin of the virtual asset, including cryptocurrencies, and its beneficiaries. The legal regime of client identification provides for checking of a person on the sanction lists available on official websites of authorized authorities. In particular, in Ukraine such lists are placed on the website of the National Bank of Ukraine (National Bank of Ukraine, 2022), as well as similar full lists are presented on the resources of the United States Department of the Treasury (U.S. Department of the Treasury, 2017), and sanctions lists of the EU in the single base of EU legislation, namely Council Decision 2014/145/CFSP of 17 March 2014 concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine (European Union, 2014).

This reduces the possibility of their (virtual assets) usage by individuals from sanctions lists, as well as by other residents of the Russian Federation to evade economic sanctions. However, this does not fully apply to the decentralized circulation of virtual assets.

3. Centralized Exchanges vs Decentralized Exchanges

As is known, conversion of financial assets is carried out through the purchase and exchange of digital assets, in particular cryptocurrencies, on organized trading platforms, that is through crypto-exchange. Some of them integrate "physical gateways" (payment applications that allow to pay for the purchase of virtual assets and receive funds from their sale on-line) within the virtual assets circulation system itself. It allows clients to use their own bank account directly or through a payment card for purchase of cryptocurrency assets. In fact, in this case, the bank account is connected through a "payment gateway" using the API protocol to the "electronic wallet", implemented on the base of the crypto-exchange.

The following types of cryptocurrency exchanges are distinguished: Centralized

(Binance, Coinbase, Huobi, etc.), so-called CEX, decentralized (Binance DEX, Uniswap, Waves Dex, Bancor Network, Switcheo Network etc.), so-called DEX, and hybrid (exchanges that include the advantages of CEX and DEX and are now at the stage of development. Most famous: Nash, Qurrex, etc.) (see table 1).

In fact, the existing centralized virtual asset exchanges are integrated into the global financial system and operate within the respective national legal systems. In this connection, CEX-type exchanges fulfill the requirements for financial monitoring and prevention of laundering of funds obtained by criminal means.

While DEX may avoid requirements of financial monitoring and preventing the laundering of funds obtained by criminal means while in the so-called "gray zone". At the same time, users of the DEX stock exchange adhere to the requirements of the legislation on financial monitoring only during interaction with the classical institutions of the financial market (payment systems, banks, institutions of electronic money) and others. A significant percentage of the work of such exchanges (replenishment and withdrawal of funds from virtual wallets) is connected with the work of shadow banking ("black exchanges"), which operate in many foreign countries, but without compliance with the requirements of the national legislation on counteracting money laundering and financing terrorism and requirements to the activities of VASP.

Some countries, aware of the dangers of decentralized cryptocurrency exchanges, are attempting to regulate their activities at the legislative level. For example, state regulators of USA are trying to apply the existing legislative framework for such cryptocurrency exchanges (FinCEN, 2022a), and in Singapore, the government is trying to create a new regulatory framework (Monetary Authority of Singapore, 2018).

The European Union has initiatives to introduce identification-owners of non-custodial wallets, which are necessary for interaction with a decentralized stock exchange or a decentralized application. For example, MetaMask, WalletConnect, or the Ledger and Trezor hardware wallets.

The specified wallets differ in the process of configuration, namely: Such programs offer to record seed or, so-called, a mnemonic phrase. It gives you access to the content **o**f the address, allows you to sign transactions and manage coins. Accordingly, users of such platforms from

Table 1

Comparative characteristics of centralized and decentralized crypto-exchanges

	Centralized Exchanges (CEX))	**Decentralized Exchanges (DEX))**
Management	The CEX is under centralized management of the founding companies	DEX is characterized by absence of any management, support services. Unlike traditional CEX, transactions and bidding on such platforms are automated through smart contracts and decentralized applications
State licensing and regulation	The activity of most of CEX is subject to state licensing and regulation	Not subject
Identification (KYC procedures (Know your Customer)	Yes	No
User Interface & User experience	Easy to use	Hard to use
Matching speed	Very fast	Slow
Custodial services (storage, accounting, financial assets use)	Users trust their funds to CEX. The risks of asset loss are based on the Exchange operator	Funds are owned by users. This type of crypto-exchanges is much safer, because a well-written smart contract will not allow attackers (hackers) to break it
Trading volume	High	Low[1]
Liquidity	High	Low
Functions	Unlimited	Limited
Fiat gateway	Yes	No

Source: compiled according to the site data https://www.nasdaq.com

[1] According to the Block Research – 2021 Digital Asset Outlook, DEX trading volume in 2021 amounted to $1 trillion, and CEX trading volume for the same period – more than $14 trillion (DAOR, 2021).

Europe are expected to disclose information about themselves (Domina, 2022).

However, there is no clear position on the decentralized cryptocurrency exchanges in these countries and EU today, and in other countries the decentralized cryptocurrency exchanges are not regulated at all.

One of the main problems associated with regulation of decentralized exchanges is that in most cases such exchanges are not controlled by specific legal entities or individuals.

This will result in problems with identifying responsible in the event of any violation, difficulty in verifying trade activity and identifying possible violations. For the same reason, some of the existing standards applied to the centralized stock exchange cannot be applied to the decentralized stock exchange.

So, if we speak about sanction's avoidance mechanisms, this seems possible in case of violation of the requirements of the legislation on financial monitoring and prevention of legalization (laundering) of funds obtained by criminal means; substitution of the beneficiary with a nonexistent person (use of "dormant bitcoin wallets"); usage of technologies that increase transaction anonymity (such as bitcoin mixer (tumbler), private, decentralized cryptocurrency (Monero) (International Monetary Fund, 2022) or by helping to conduct transactions on decentralized crypto-exchanges. In addition, scientists also allocate other potential strategies to evade sanctions, which can be easily adapted to funding on the basis of blockchain. Use of front companies, power of attorney, authorized persons – only some of these techniques (Wronka, 2021). However, such means are acceptable only for operations of a relatively small volume. For example, settlements on state contracts or power contracts of monopolists through DEX and "black exchanges" are too complex and have a great risk of disclosure by law enforcement bodies.

As individual researchers point out, unlike, for example, Venezuela and Iran, the Russian Federation has firmly rooted in the world financial system over the past decades. Every day in the Russian Federation currency transactions are carried out with the volume of about 50 billion US dollars, which is approximately equal to the total cost of all bitcoin transactions all over the world, when the volumes reach peak levels. This scale and efficiency cannot be reproduced either through decentralized financial technology (Makhlouf, Selmi, 2020) or through technologies that increase transaction anonymity.

In turn, the opinions of experts-practitioners regarding using CEX by residents of the Russian Federation to evade sanctions differ. Thus, according to Ari Redbord of TRM labs – a company that is engaged in the tracking and security of blockchain – "eighty percent of daily currency transactions of the Russian Federation and half of its international trade are carried out in US dollars. It is very difficult to move a large number of cryptocurrencies and convert them into a suitable currency. Russia cannot use cryptocurrencies to replace hundreds of billions of dollars that could be potentially blocked or frozen" (Suleymanova, 2022) (according to the Russian government estimate, the volume of only Russian savings in cryptocurrencies as of early April 2022 is 10 trillion rubles (150,4 billion US dollars at the rate of 1 May 2022 (Pavlenko, 2022) – *author's note*).

Executive Director of BTC.top Jiang Zhuoer follows the same point of view. In his opinion, "the cryptocurrency market cannot "digest" the whole volume of foreign trade turnover of the Russian Federation (789 billion US dollars in 2021)" (Petrov, 2022).

At the same time, Meirid McGuinness, European Union Commissioner for Financial Services, believes that sanctions against the Russian Federation for the invasion of Ukraine should apply to cryptocurrencies as well. In her opinion, non-regulated cryptocurrencies pose more risks through fraud, deception etc.

As a vivid illustration of the above-mentioned statement by Meirid McGuinness, may be the information given by Mariel Cohen-brash, Financial Ombudsman of France, that approximately 25% of money fraud in the country last year was connected with investment schemes in cryptocurrencies. Compared to 2020, when this figure was 6%, this is a significant increase in the share of illegal transactions using cryptocurrencies (Domina, 2022).

4. Legal regulation of stablecoins vs Decentralized Finance industry

It is not accidental that considerable attention to the circulation of "stable cryptocurrencies" (stablecoins) is currently paid. In particular, the above-mentioned initiative "Markets in Crypto-Assets Regulation" (MICA) allocates two categories of stablecoins: pegged to assets (for example, connected to a bitcoin WBTC or PAXG – digitized version of physical gold); pegged to the financial currencies (for example, the USDC, fully secured by the US dollar, or Tether, provided by the US dollar, according to the issuer company, by 20%).

The quite high MICA's capital requirements for issuers with asset-tied tokens can be recognized reasonable. These requirements are even compared with Basel requirements for banks. In addition, issuers will be required to place reserves in the credit institution and to undergo an independent audit every 6 months.

In turn, for owners of stablecoins pegged to the financial currencies, MICA tried to create

the same protection as for owners of electronic money. For example, an issuer must be able to buy a token at any time from the owner at his request.

In general, the new rules are aimed at increasing protection of the rights of cryptoinvestors from possible fraudulent actions, which may lead to loss of their money (Domina, 2022).

Special attention to the features of legal regulation of the emission of stablecoins is also paid by parliaments of other countries. In particular, a bill on digital commodity exchanges was passed to the United States Congress, which obligates the issuers of stablecoins (stable cryptocurrencies) to register as operators of fixed-value digital goods. They will then have to provide the regulator with information about the stablecoins and ensure that they have enough assets to exchange coins for USA dollars. As a result, before listing and selling new cryptocurrencies, the exchanges will have to obtain authorization from the Commodity Futures Trading Commission (CFTC). As it is noted, this will make it clear in the process of asset standardization, although at the same time will slow down the speed of placing new coins on the exchanges (Newmyer, 2022).

At the same time, as the US Federal Reserve System stresses in the Financial stability Report, stablecoins are one of the risk areas for the financial system because of possible problems with their conversion into fiat. In particular, the report on stability notes: "The Stablecoins <...> are secured by assets that may lose value or become illiquid during stress, creating repayment risks. Vulnerability can increase the lack of transparency regarding the risk and liquidity of reserve assets. In addition, the increasing use of stablecoins to meet margin requirements in the trade of other cryptocurrencies with leverage may increase the volatility of demand" (Board of Governors of the Federal Reserve System, 2022).

The report on financial stability mentions a report drafted by the working group on financial markets under the President of the United States on risks associated with "stable coins". The authors of the report suggested that issuers of such tokens should be equated with banks (Ivanov, 2022).

At the same time, there are early reports that such initiatives, in particular MICA's requirements, pose an existential threat to the Decentralized Finance industry, including DEX (MiCA, 2022). The obligation that crypto-asset issuers must be incorporated in the form of a legal entity could pose significant challenges for DeFi projects where issuance is decentralized and there is no identifiable issuer (Partz, 2020). This further minimizes the opportunities for using the decentralized crypto-asset market for fraud, including circumventing sanctions.

5. Conclusions

Summing up the above, it is possible to reach the following conclusions.

Legal operators of the virtual asset market, as well as professional participants involved in the virtual asset transaction chain, perform their activities in accordance with FATF and national legislation on money laundering and combating terrorism. In the identification of origin, transactions of virtual asset (including cryptocurrencies) are reflected in its own code. This makes it technically impossible to hide the virtual asset circulation chains in the CEX system. Measures to "avoiding sanctions" are violations of the conditions defined by licenses, permits to conduct the activities in financial markets and are qualified as illegal with bringing the guilty persons to legal responsibility.

Thus, attempts to evade the sanctions with the use of cryptocurrencies are illegal (however possible), and in view of the current international legislation and legislation of the countries in which the operations of crypto-exchanges are carried out, is a usual violation of the requirements regarding the obligatory financial monitoring of the respective operations and violation of the conditions of the activity with virtual assets. Therefore, the legal crypto-market cannot replace the classical financial mechanisms for the Russian Federation as an aggressor country. Accordingly, it may be a case of single exit by residents of the Russian Federation out of the sanctions of their own assets in the form of cryptocurrencies with their further conversion into a fiat currency.

At the same time, it is established that the use of decentralized cryptocurrency exchange (DEX), as well as technologies that increase the anonymity of transactions (in particular, bitcoin mixer (tumbler), private, decentralized cryptocurrency (Monero), shadow banking), creates the grounds to evade the norms of prevention and counteraction money laundering, terrorist financing and financing of the proliferation of weapons of mass destruction, and, in some instances, negate the effect of international economic sanctions.

International initiatives regarding the legal regulation of stablecoins create risks for the Decentralized Finance industry, but at the same time do not fully mitigate the risks associated with the circulation of stablecoins. Accordingly, it is necessary to express arguments in favor of taking appropriate international legal measures aimed at combating shadow banking and organizing the circulation of virtual assets. Only cryptocurrencies, which are secured by currency values, securities or derivative financial instruments at the moment of their introduction

and during the whole period of their stay in circulation, should be subject to conversion into fiat currencies. At the same time, identification and verification of counterparties should be carried out on a mandatory basis.

The scientific conclusions obtained in this article can serve as a basis for further research, which is focused on the problems of development and improvement of legal regulation of the circulation of financial virtual assets.

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МІЖНАРОДНІ ЕКОНОМІЧНІ САНКЦІЇ ПРОТИ РОСІЙСЬКОЇ ФЕДЕРАЦІЇ ТА КРИПТОВАЛЮТИ: ПРАВОВА ОЦІНКА

Анотація. ***Мета статті*** – оцінити правові можливості використання Російською Федерацією криптовалют із метою ухилення від міжнародних економічних санкцій та сформувати відповідні пропозиції.

Методи дослідження. Роботу виконано із застосуванням загальнонаукових і спеціальних методів наукового пізнання.

Результати. Статтю присвячено правовій оцінці можливостей використання Російською Федерацією криптовалют із метою ухилення від міжнародних економічних санкцій, а також подальшому обґрунтуванню відповідних пропозицій. Доведено, що фактично криптовалютний ринок не може повноцінно замінити для Російської Федерації як країни-агресора класичні фінансові механізми, тому можна говорити про поодинокі випадки виводу резидентами Російської Федерації з-під санкцій власних активів у вигляді криптовалюти з подальшою їх конвертацією у фіатні валюти. Зазначається, що легальні оператори ринку віртуальних активів, а також професійні учасники, залучені до ланцюга транзакцій із віртуальними активами, здійснюють свою діяльність згідно з вимогами FATF та національного законодавства щодо запобігання відмиванню коштів і боротьби з тероризмом. Водночас встановлено, що використання децентралізованих криптовалютних бірж (DEX), а також технологій, які підвищують анонімність транзакцій (зокрема, мікшерів, біткоїн-тумблерів, монет конфіденційності (Monero), тіньового банкінгу), створює підґрунтя для ухилення від дотримання вимог про запобігання та протидію легалізації (відмиванню) доходів, одержаних злочинним шляхом, фінансуванню тероризму та фінансуванню розповсюдження зброї масового знищення, нівелюючи ефект міжнародних економічних санкцій.

Висновки. Міжнародні ініціативи, що стосуються правового регулювання стейблкоїнів, створюють ризики для індустрії децентралізованих фінансів, проте водночас неповною мірою знижують ризики, пов'язані з обігом стейблкоїнів. Відповідно, висловлюються аргументи на користь вжиття відповідних міжнародно-правових заходів, спрямованих на боротьбу з тіньовим банкінгом та організацію обігу віртуальних активів. Зокрема, конвертації у фіатні валюти мають підлягати тільки ті криптовалюти, які забезпечені валютними цінностями, цінними паперами або похідними фінансовими інструментами на момент їх запровадження й упродовж усього періоду перебування в обігу.

Ключові слова: криптовалюти, ухилення від міжнародних економічних санкцій, транзакції, обіг фінансових віртуальних активів, криптовалютні біржі, фіатні валюти.

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