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DOI <https://doi.org/10.32842/2078-3736/2025.2.45>**SYSTEM OF COUNTERACTION TO LEGALIZATION (LAUNDERING)  
OF PROPERTY OBTAINED BY CRIMINAL MEANS THROUGH VIRTUAL  
ASSETS: CHALLENGES AND MECHANISMS OF IMPROVEMENT**

The article considers the problems of legalization (laundering) of proceeds from crime through the use of virtual assets and, in particular, suggests ways to improve. The topic is because virtual assets can be used in the process of legalizing (laundering) property obtained by criminal means. The main challenges caused by globalization and the development of blockchain technologies, which ensure the anonymity of financial transactions and complicate state supervision, are analyzed. Particular attention is paid to the current state of legal regulation in Ukraine, particularly the Law "On Virtual Assets" and its problematic aspects.

The key elements of the system of combating the laundering (legalization) of property obtained by criminal means with the help of virtual assets are defined, among which: 1) regulatory and legal support (legislation regulating the circulation of virtual assets and preventing their use in criminal schemes; 2) financial monitoring system – detection of suspicious transactions and analysis of sources of funds; 3) institutional mechanism – the activities of public authorities to prevent money laundering; 4) interdepartmental and international cooperation – coordination of actions and exchange of information between financial monitoring bodies, state institutions and international organizations.

The opinion was expressed on the need to adopt and regulate the market of virtual assets, constant improvement of the state policy to counter the legalization of property obtained by criminal means, regular training and training of employees, interdepartmental and international cooperation, as well as the use of innovative technologies and digital tools. The implementation of these measures will be an important step in strengthening the national financial monitoring system, which will significantly increase the effectiveness of the fight against financial crimes, in particular, money laundering and other criminal schemes related to the use of virtual assets. This will also significantly improve the process of detecting suspicious transactions in the early stages.

**Key words:** *legalization (laundering) of property obtained by criminal means, legalization through virtual assets, counteraction, virtual asset, digital currency, digital asset, cryptoassets, cryptocurrency.*

**Дегтяр Р. О. Система протидії легалізації (відмиванню) майна, одержаного злочинним шляхом за допомогою віртуальних активів: виклики та механізми вдосконалення**

У статті розглянуто проблематику легалізації (відмивання) коштів, здобутих злочинним шляхом, через використання віртуальних активів, зокрема запропоновано шляхи вдосконалення. Актуальність теми зумовлена тим, що віртуальні активи можуть бути використані у процесі вчинення легалізації (відмивання)



майна, одержаного злочинним шляхом. Проаналізовано основні виклики, спричинені глобалізацією та розвитком технологій блокчейн, які забезпечують анонімність фінансових операцій і ускладнюють державний нагляд. Особлива увага приділена сучасному стану нормативно-правового регулювання в Україні, зокрема Закону «Про віртуальні активи» та його проблемним аспектам.

Визначено ключові елементи системи протидії відмиванню (легалізації) майна, одержаного злочинним шляхом, за допомогою віртуальних активів, серед яких: 1) нормативно-правове забезпечення (законодавство, яке регулює обіг віртуальних активів і запобігає їх використанню в злочинних схемах; 2) система фінансового моніторингу – виявлення підозрілих транзакцій і аналіз джерел коштів; 3) інституційний механізм – діяльність органів державної влади для запобігання відмиванню доходів; 4) міжвідомча та міжнародна співпраця – координація дій і обмін інформацією між органами фінансового моніторингу, державними установами та міжнародними організаціями.

Висловлено думку про необхідність прийняття та врегулювання ринку віртуальних активів, постійне вдосконалення державної політики щодо протидії легалізації майна, отриманого злочинним шляхом, регулярне підвищення кваліфікації та навчання співробітників, міжвідомча та міжнародна співпраця, а також використання інноваційних технологій та цифрових інструментів. Впровадження цих заходів стане важливим кроком у зміцненні національної системи фінансового моніторингу, що значно підвищить ефективність боротьби з фінансовими злочинами, зокрема з відмиванням коштів та іншими злочинними схемами, пов'язаними з використанням віртуальних активів. Це також дозволить суттєво покращити процес виявлення підозрілих операцій на ранніх етапах.

**Ключові слова:** легалізація (відмивання) майна, одержаного злочинним шляхом, легалізація за допомогою віртуальних активів, протидія, система протидії, віртуальний актив, цифрова валюта, цифровий актив, криптоактиви, криптовалюта.

**Introduction.** In the current development of Ukraine, financial security is a key element of economic security, which, in turn, serves as the foundation of the national security of any state. "Laundering" of proceeds from crime directly or indirectly affects all the main components of the financial system of our state. The consequences of the legalization of illegal income go far beyond economic losses: losses from primary crimes are growing, and the incomes of criminals contribute to the further expansion of their influence. In addition, money laundering can lead to other serious threats, such as increased levels of corruption, increased organized crime, and increased economic and political influence on the state [1, p. 71].

In Ukraine, the issue of effective regulation of the virtual asset market is of particular relevance since they have gained significant popularity among the population. Because virtual asset transactions occur online, they leave no or only minimal documented evidence, making them much more difficult to investigate. Thus, virtual assets open up opportunities for money laundering and terrorist financing, which criminals can easily use. Their digital nature, ease of transmission, anonymity due to lack of identity requirements, and decentralized nature make virtual assets attractive for illegal activities.

**Analysis of recent research and publications.** General issues of the effectiveness of counteracting the legalization (laundering) of proceeds from crime and the reform of the system were considered in the works of various scientists, such as Reznik O.M., Dudorov O.O., Tertychenko T.M., and S. Kundelskaya, M.A. Pogoretsky. However, despite the presence of a significant number of studies, the issue of the anti-money laundering system with the help of virtual assets is hardly investigated, which indicates the relevance of further research in this area and the need to improve the system and countermeasures.



**Statement of the task.** Analyze the system and measures to counteract the legalization (laundering) of property obtained by criminal means using virtual assets and formulate proposals for its improvement.

**Research results.** Legalization (laundering) of property obtained by criminal means, like many other transnational crimes, is a negative consequence of globalization processes. In this context, Ukraine's integration into the world community, along with undeniable advantages, requires significant efforts to counter various types of criminal activity, in particular the legalization of illegally obtained property [1, p. 9].

Virtual assets, as an innovative tool for financial transactions, have unique characteristics that significantly complicate their control and regulation. Blockchain technologies, the anonymity of transactions and the absence of centralized control bodies create attractive conditions for criminals seeking to legalize illegally obtained funds. Of particular concern is the fact that such actions often remain outside the traditional control mechanisms, complicating the work of law enforcement agencies. In particular, in the 2024 report entitled "Global Index of the Introduction of Virtual Assets," Ukraine was ranked 6th among the countries of the world in terms of the adoption of virtual assets. This is due to the significant volume of transactions carried out on centralized virtual asset platforms. At the same time, such high rates may be associated with their use in illegal activities [2, c. 126].

As you can see, in Ukraine it is necessary to strengthen monitoring of activities related to virtual assets, since there is a high level of adoption of virtual assets among the population, as well as significant volumes of transactions, emphasizing the risks of using virtual assets for illegal purposes. Under such conditions, the national system of counteracting the legalization (laundering) of proceeds from crime becomes of particular importance. Its effective functioning will significantly reduce the risks associated with terrorist financing and money laundering.

In our opinion, the key elements of the system of combating laundering (legalization) of property obtained by criminal means through virtual assets are: 1) regulatory and legal support (specialized legislative and by-laws that regulate the circulation of virtual assets, establish requirements for the transparency of financial transactions and prevent the use of these assets in criminal schemes); 2) financial monitoring system (detection of suspicious transactions with virtual assets, analysis of the sources of origin of funds and recipients, as well as identification of risks in cross-border transactions); 3) institutional mechanism (activities of authorized state authorities for regulation and supervision in the field of prevention and counteraction to legalization (laundering) of proceeds from crime); 4) interdepartmental and international cooperation (coordinated activities and exchange of information between financial monitoring bodies, state institutions and international organizations, such as the FATF, aimed at developing international standards for regulating operations with virtual assets, as well as the exchange of data on suspicious transactions and suspected criminal activities).

The legislation of Ukraine in the field of virtual assets is based on the Constitution of Ukraine, international treaties ratified by the Verkhovna Rada, the Civil Code of Ukraine, the Law of Ukraine "On Prevention and Counteraction to Legalization (Laundering) of Proceeds from Crime, Terrorist Financing and Financing of Proliferation of Weapons of Mass Destruction," as well as other laws and regulations adopted for their implementation.

The Law of 06.12.2019 No. 361-IX "On Prevention and Counteraction to Legalization (Laundering) of Proceeds from Crime, Financing of Terrorism and Financing of Proliferation of Weapons of Mass Destruction" establishes a legal mechanism to prevent and counteract the laundering of proceeds from crime, financing of terrorism and proliferation of weapons of mass destruction.

As a result of the analysis of the provisions of the Law "On Virtual Assets," a number of problematic aspects have been identified that confirm its normative imperfection and insufficient level of legal certainty of certain norms, especially in the context of modern changes in the sphere of circulation of virtual assets. Negative, in our opinion, is that the law has not yet entered into force. This situation is due to the fact that, in accordance with its transitional provisions, the Law will come into force only simultaneously with the entry into force of the draft law "On Amendments



to the Tax Code of Ukraine on Taxation of Turnover of Virtual Assets in Ukraine" registered in the Verkhovna Rada of Ukraine in 13.03.2022 under No. 7150.

The lack of clear legislative regulation in the field of virtual assets greatly complicates the creation of a transparent and stable market, especially an effective system for countering their criminal use. Such legal uncertainty creates additional risks for investors and users of virtual assets, which, in turn, may hinder the development of this market.

That is why there is an urgent need to adopt an appropriate bill that will ensure the launch of a legal and transparent virtual asset market. This, in turn, will significantly strengthen the competitiveness of Ukraine in the global market of services related to their turnover.

Financial monitoring is a key element of the system of counteraction to financial crimes. Its essence lies in the activities with assets associated with the relevant participants in the financial transactions that carry them out, subject to the risks of using such assets for the purpose of legalization (laundering) of proceeds from crime, financing of terrorism and/or financing the proliferation of weapons of mass destruction, as well as any information about such actions or events, assets and their participants [3].

The financial monitoring system in Ukraine is based on an operational exchange of information between financial monitoring entities, such as banks, financial institutions, and other organizations that carry out financial transactions, and specially empowered agency of the executive authorities for financial monitoring [4, c. 255].

The national financial monitoring system operates at two levels, combining primary and state financial monitoring. The first level, or primary financial monitoring, includes a set of measures taken by the subjects of primary financial monitoring and aimed at fulfilling the requirements of legislation in the field of prevention and counteraction. State financial monitoring covers the implementation of measures and actions aimed at collecting, processing, and analyzing information on financial transactions.

According to paragraph 45 of Article 1 of the Law of Ukraine "On Prevention and Counteraction to Legalization (Laundering) of Proceeds from Crime, Terrorist Financing and Financing of Proliferation of Weapons of Mass Destruction," primary financial monitoring is a set of measures taken by the subjects of primary financial monitoring and aimed at fulfilling the requirements of legislation in the field of prevention and counteraction.

The subjects of primary financial monitoring include: banks, insurers (including those engaged in reinsurance), insurance and reinsurance brokers, credit unions, pawnshops and other financial institutions, payment system operators, professional participants in organized commodity markets, as well as professional participants in capital markets, with the exception of persons involved in the organization of trade in financial instruments. Also, this category includes operators of postal services that provide financial payment services or services for foreign exchange transactions, branches and representative offices of foreign companies providing financial services in Ukraine, and other legal entities defined in the legislation. A special subject of this monitoring is service providers related to the circulation of virtual assets.

State financial monitoring is a set of measures taken by the subjects of state financial monitoring and aimed at fulfilling the requirements of the Law "On Prevention and Counteraction to Legalization (Laundering) of Proceeds from Crime, Terrorist Financing and Financing of Proliferation of Weapons of Mass Destruction" and other legislation in the field of prevention and counteraction) [3].

The subjects of state financial monitoring include the National Bank of Ukraine – the central executive body responsible for the development and implementation of state policy to prevent and counter legalization (laundering) of proceeds from crime, as well as the financing of terrorism and the proliferation of weapons of mass destruction, the Ministry of Justice of Ukraine, the National Securities and Stock Market Commission, the Ministry of Digital Transformation of Ukraine and a specially authorized body (the State Financial Monitoring Service of Ukraine).



In modern conditions, the problem of establishing effective cooperation between law enforcement agencies, financial institutions, and state bodies that control financial flows is of particular relevance.

Interaction between law enforcement agencies is an important component for effectively combating criminal offenses, including crimes related to the circulation of virtual assets. This interaction involves the implementation of joint activities and actions organized by legislation and specific regulations.

L.T. Ryabovol identifies several key areas of collaborative measures among law enforcement agencies that enhance the effectiveness of combating crime. These include: 1) information exchange – law enforcement agencies should share data related to crime-fighting within their authority and capabilities. This enables a rapid response to emerging threats and fosters coordination; 2) studying and sharing best practices – it is essential not only to adopt the cooperative experiences of various state bodies but also to actively exchange them to improve practices; 3) establishment of joint investigative and operational teams – to address specific criminal offenses, specialized teams must be formed that combine the resources and expertise of different law enforcement agencies; 4) development of joint regulations – the creation and endorsement of guidelines and recommendations that facilitate streamlined interaction among law enforcement agencies and enhance their overall effectiveness [5, p. 75].

Participation in international initiatives aimed at combating financial crimes and strengthening transparency contributes to strengthening the reputation of the state and the formation of confidence in it by the global financial community. International cooperation in the field of financial monitoring plays a key role in solving problems related to global financial interdependence, countering transnational financial crimes, and ensuring transparency, stability, and integrity of the global financial system.

The priority, in our opinion, is to develop common, clear, and transparent criteria for identifying transactions with virtual assets that are subject to financial monitoring, as well as to determine effective mechanisms for transmitting information about such transactions. This approach will increase the transparency of financial processes and ensure timely detection and prevention of potential threats associated with the use of virtual assets.

Subjects acting in accordance with the law and empowered to prevent and counter, must have legal, financial, technical, analytical, communication, ethical knowledge and skills that allow you to interact with the complex field of financial security and legalization of property, ensuring a high level of efficiency and responsibility in the performance of their tasks [6, p. 151].

It should be noted that law enforcement agencies lack specialized knowledge of working with virtual assets. Law enforcement agencies face challenges in the field of virtual assets due to the lack of specialized knowledge and skills to effectively investigate offenses related to these technologies.

Lack of proper training makes it difficult to detect and counter crimes related to virtual assets, such as money laundering and terrorist financing. To increase the effectiveness of law enforcement agencies in combating crimes related to virtual assets, it is necessary to provide them with specialized knowledge and skills, as well as to implement relevant international standards and practices.

Understanding blockchain technology is a key element for improving the efficiency of law enforcement in modern conditions. A blockchain is a distributed database or decentralized registry that functions through the sharing of nodes in a computer network. The main importance of this technology in virtual asset systems is to create a secure and decentralized mechanism for fixing transactions. At the same time, the range of its application is much wider than exclusively in the field of virtual assets. Despite the possibility of storing various types of data, blockchain is most often used to document transactions, acting as a reliable register of financial and non-financial transactions. [7, p. 193].

The use of modern technologies and software plays a crucial role in countering the legalization of property obtained by criminal means through the use of virtual assets, which, due to their decentralization and anonymity, have gained popularity among attackers. In this regard,





technological tools are becoming an integral part of an integrated approach to combating illegal activities.

Law enforcement units that are empowered to prevent and counteract can use the following tools to: 1) control financial transactions (modern technologies can quickly process large volumes of transactions, which allows you to identify suspicious or illegal activities); 2) data analysis (specialized tools provide processing of significant amounts of information, determining trends and potential threats); 3) integration of artificial intelligence and analytical methods into everyday work (intelligent systems contribute to the automation of processes for identifying problematic aspects and potentially illegal activities); 4) optimization of investigations (innovative technologies can significantly reduce the time required to analyze situations and respond to offenses related to the use of virtual assets), etc. [8, p. 222].

**Conclusion.** Thus, the conducted study allows to determine a set of priority measures aimed at improving the effectiveness of prevention and counteraction to the legalization of criminal proceeds through virtual assets: adoption and regulation of the virtual assets market, continuous improvement of state policy to counteract the legalization of property obtained by criminal means, regular training and training of employees, interdepartmental and international cooperation, as well as the use of innovative technologies and digital tools. The implementation of these measures will strengthen the national financial monitoring system and ensure effective counteraction to criminal schemes related to virtual assets.

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