

Background information

Cryptocurrencies are digital, or virtual currencies. There are around 2,500 currencies which are traded, and together form a market cap of \$221 billion, famous examples are Bitcoin, Litecoin, and Ethereum. The first cryptocurrency created was Bitcoin, in 2009. Bitcoin and Ethereum are produced use a process called mining, whilst other cryptocurrencies are created through other ways. They function according to how they were coded, using algorithms, that are secured by cryptography. This is done to ensure that they are not double-spend or counterfeited. Cryptocurrencies are not issued by central authorities, such as governments and central banks, and is not centralized, but instead distributed meaning that it is hosted on people's computers. Cryptocurrencies are exempt from government interference or manipulation, as they are not controlled by a central authority. People use cryptocurrencies are digital assets, which can be used to make secure financial transactions. Their transactions are stored in a sort of database, called a blockchain. They have been know used to finance terrorist organisations such as ISIS, and other militant groups such as Hamas. Cryptocurrencies have also been used for illegal and criminal activities can also be used to launder money, and the purchase of illegal goods such as drugs and arms.

United Nations Involvement

The United Nations (UN) has started addressing the disadvantages of cryptocurrencies, as they help aid entities which threaten peace and the safety of people. Representatives from different delegations in the security council have supported a resolution which calls for the combatting of financing terrorists. Japan has come up with a solution, which is a system which registers accounts used in cryptocurrency transactions. Egypt has stated that terrorist entities are increasingly using cryptocurrencies, and have called upon the United Nations Office on Drugs and Crime (UNODC), to assist them in combatting transactions to these entities. A UN resolution was drawn up in March 2019, which asks for the production and penalization of those who finance terrorist organisations. Furthermore, the resolution

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called upon nations, to establish financial intelligence units, and to exchange relevant information with other nations. Cryptocurrencies are legal in 111 countries however, some have acted against the threat that cryptocurrencies present. Multiple countries have already banned bitcoin such as Afghanistan, Bolivia, Bangladesh, and Saudi Arabia, while others have restricted cryptocurrencies such as China and India.

Questions

- What position does your nations have on the use of cryptocurrencies?
- In what sort of illegal activities, such as terrorism or money laundering, are cryptocurrencies mainly used in your nation?
- What measures can be taken to improve the transparency of that transactions that involve cryptocurrencies?
- What actions can be taken to stop cryptocurrencies from being used by these entities?

Sources

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