Observatoire ARGA

Cryptocurrency Offences and Refugee Rights:

How Financial Accusations Are Used Against Persons Seeking Protection and How International Legal Defence Is Structured

Author:

Sergei Khrabrykh — President of ARGA, PhD

Organization: Observatoire ARGA – Sanctions and Compliance Unit

Mailing address: 21 route de l'Aviation, 12 C, 64600 Anglet, FRANCE

Contacts: info@argaobservatory.org, +33 7 58 49 62 27

Website: www.argaobservatory.org

Table of Contents

Abstract

This report examines the intersection between cryptocurrency investigations and international protection procedures. It analyses how financial and crypto-related accusations are used against individuals applying for asylum or involved in extradition proceedings, and how economic qualifications may mask political or politico-economic persecution. The report reviews the role of INTERPOL, extradition mechanisms, the principle of non-refoulement, and risk-assessment practices in asylum procedures. Particular attention is given to defence strategies, including contextual reconstruction, evidentiary standards, engagement with international mechanisms, and minimisation of risks of wrongful criminalisation.

1. Introduction

In recent years, cryptocurrency investigations have increasingly intersected with migration and asylum procedures. The economic and crypto-related classification of charges is often perceived by states as "neutral" and unrelated to politics, which increases the risk of refusal of international protection even in situations where criminal prosecution is instrumental in nature.

For persons seeking asylum, crypto-related accusations create an additional layer of vulnerability: they reinforce a presumption of "criminality," complicate communication with authorities, and increase the likelihood of detention and extradition measures.

2. Economic Charges as a Modern Form of Persecution

Modern forms of persecution are increasingly implemented not through explicit political charges, but through:

• economic offences;

• fraud and money laundering allegations;

• tax violations;

• unlawful financial activity.

Cryptocurrencies amplify this trend by providing a formally persuasive object of accusation and allowing rapid internationalisation of the case.

3. Why Crypto Accusations Are Particularly Dangerous in Asylum Procedures

Crypto accusations are perceived as:

• technically complex and difficult to verify;

• associated with "money laundering" and "grey capital";

• inherently transnational.

As a result, migration authorities may:

• rely on formal charges without analysing the context;

• fail to distinguish between fraud and investment risk;

• underestimate the political and economic motives behind the prosecution.

4. The Role of INTERPOL and International Search Mechanisms

The presence of Notices or Diffusions in INTERPOL systems increases the applicant's vulnerability:

• it raises the risk of detention;

• influences the assessment of credibility and good faith;

• complicates the acquisition of legal status and permits.

At the same time, an economic qualification does not guarantee the neutrality of the request and may conceal a political or politico-economic conflict.

5. Extradition Procedures and Crypto-Related Cases

Extradition processes in crypto cases are often characterised by:

• fragmented evidentiary bases;

• disproportionate preventive measures;

• prolonged procedures.

Extradition may function as a tool of coercion rather than as a neutral legal mechanism.

6. The Principle of Non-Refoulement and Economic Cases

The principle of non-refoulement applies not only to narrowly defined political cases but also to situations where:

• there is a risk of arbitrary justice;

• torture or inhuman treatment is possible;

• guarantees of a fair trial are absent;

• prosecution is instrumental in nature.

In crypto-related cases, it is essential to demonstrate that the economic framing of accusations does not eliminate the real risk to the individual.

7. Criminalisation as a Tool for Asset Freezing and Pressure

In a number of cases, the purpose of prosecution is not punishment, but rather:

• the freezing of cryptoassets;

• coercion to disclose private keys;

• redistribution of property.

For asylum procedures, it is important to document that the case is related to assets and control rather than to neutral law enforcement.

8. Evidentiary Problems and the Risk of Misattribution

Crypto accusations are often based on:

• probabilistic on-chain analytics;

• address clustering;

• assumptions regarding control over wallets.

Misattribution may lead to the prosecution of innocent persons and the use of criminal status as a tool of pressure.

9. Defence Strategy in the Asylum Context

An effective strategy includes:

• constructing a chronology and contextual background of the conflict;

• identifying the initiators of the prosecution;

• documenting procedural violations;

• analysing the economic nature of the dispute;

• demonstrating the disproportionality of the measures taken.

The key objective is to reframe the case from a "crypto scam" narrative into one of politico-economic persecution and human rights risk.

10. International Mechanisms and the Human Rights Dimension

Additional protection mechanisms include:

• submissions to UN Special Procedures;

• monitoring by human rights organisations;

• documentation of risks through independent analytical reports.

Institutional support strengthens the applicant's position and improves the quality of case assessment.

11. Consequences for Families and the Humanitarian Dimension

Crypto accusations combined with extradition and international search procedures create:

• prolonged legal uncertainty;

• the risk of family separation;

• economic marginalisation.

The humanitarian context must be incorporated into the defence strategy.

12. Institutional Limits of the Current Model

Existing asylum procedures are poorly adapted to crypto-related cases due to:

• lack of specialised expertise;

• formalistic assessment of charges;

• reliance on information provided by initiating states.

Without analytical support, the risk of refusal remains high.

13. Conclusions

Cryptocurrency-related accusations are becoming a new form of pressure on individuals seeking international protection. The economic qualification of charges does not exclude politico-economic persecution or risks to human rights. Effective defence requires a comprehensive strategy combining evidentiary, human rights, and humanitarian elements.

14. Recommendations

1. Document the politico-economic context of crypto-related accusations.
2. Use the principle of non-refoulement as a central argument.
3. Work in parallel through INTERPOL/CCF mechanisms where international search measures exist.
4. Engage independent crypto-expertise to challenge attribution.
5. Integrate humanitarian and family-related considerations into the legal position.

List of sources and materials used

1. https://www.unhcr.org/about-unhcr/overview/1951-refugee-convention
2. https://www.interpol.int/How-we-work/Notices
3. https://www.interpol.int/How-we-work/Data-protection
4. https://www.interpol.int/What-you-can-do/Crimes/Financial-crime
5. https://www.unodc.org/unodc/en/cybercrime/home.html
6. https://www.fatf-gafi.org/en/topics/virtual-assets.html
7. https://www.fatf-gafi.org/en/publications/Fatfrecommendations/targeted-update-virtual-assets-vasps-2023.html
8. https://argaobservatory.org