



Observatoire ARGA

**The future of international cryptocurrency regulation:
which measures will be tightened first, and who will be at the
highest risk**

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Abstract

This report analyzes the direction of development of international regulation of cryptocurrencies and related financial instruments in the medium term. Drawing on FATF documents, the practice of EU and U.S. regulators, materials from international organizations, and observable enforcement trends, it identifies the key areas where control is likely to be tightened. Particular attention is paid to the segments of the crypto market most likely to face priority pressure: stablecoins, OTC operations, non-custodial services, infrastructure intermediaries, and individuals performing facilitator functions. The report assesses the impact of these processes on users, businesses, and transnational capital flows.

Introduction

In recent years, cryptocurrencies have moved from the status of an experimental technology into the sphere of systemic financial risk. The scale of fraud, money laundering, sanctions evasion, and the use of crypto infrastructure in political-economic conflicts has forced states and international organizations to shift from fragmented reactions toward the formation of a long-term regulatory strategy.

The future of crypto market regulation is driven not by technological innovation, but by the logic of control, prevention of systemic risks, and protection of states' financial sovereignty.

Transition from reactive to proactive regulation

Early approaches to cryptocurrency regulation were reactive in nature and focused on:

- individual high-profile cases;
- local fraudulent schemes;
- regulation of centralized exchanges.

The current stage is characterized by:

- systemic risk analysis;
- preventive regulation;
- shifting responsibility to infrastructure layers.

Regulators aim not to chase schemes, but to create conditions under which their implementation becomes difficult.

Stablecoins as a priority object of control

Stablecoins, primarily USDT and similar instruments, are viewed as a key risk point in the global crypto ecosystem. Their functions:

- value preservation;
- cross-border settlements;
- substitution for bank transfers

make them systemically significant.

In the near term, the following are expected:

- stricter requirements for reserve backing;
- expanded obligations for issuers;
- increased practice of freezing and selective control.

Tightening control of the OTC segment

OTC operations remain one of the least regulated areas of the crypto market. OTC channels are used for:

- cashing out;
- informal conversion;
- evasion of sanctions and limits.

The regulatory trend is aimed at:

- classifying OTC intermediaries as financial operators;
- expanding AML/KYC requirements;
- holding intermediaries liable as facilitators.

Non-custodial services and the fight against “grey autonomy”

While a full ban on non-custodial wallets is unlikely, regulators will:

- strengthen control over on-ramps and off-ramps;
- put pressure on developers and interfaces;
- broaden the definition of a “service provider.”

Users’ de facto autonomy will be narrowed through infrastructure constraints.

Infrastructure intermediaries as a new regulatory target

Particular attention will be directed toward:

- protocol developers;
- operators of bridges and aggregators;
- interface administrators;
- analytics and compliance providers.

Regulators increasingly view them as key ecosystem participants capable of preventing or facilitating violations.

Expansion of the “facilitator” concept

The notion of facilitation in the crypto sphere is expanding. It increasingly includes:

- technical intermediaries;
- nominee managers;
- compliance providers;
- individuals providing infrastructure support.

This creates significant risks for professional market participants.

Convergence of banking and crypto regulation

Regulators aim to bring cryptocurrency regulation closer to traditional financial regimes. This is reflected in:

- unification of AML/CFT requirements;
- application of banking standards to crypto platforms;
- strengthened cross-border supervision.

The crypto market is increasingly perceived as not separate from the traditional financial system.

International coordination and the role of FATF

FATF plays a central role in shaping global consensus. Through mechanisms such as:

- recommendations;

- mutual evaluations;
- pressure on jurisdictions

a unified regulatory standard is formed, which is then implemented at the national level.

Risks for users and businesses

Future tightening of regulation will lead to:

- an increase in account freezes;
- reduced availability of services;
- higher requirements for information disclosure;
- retrospective assessment of past operations.

Users of grey and borderline schemes will be particularly vulnerable.

Political and economic context of tightening regulation

Cryptocurrency regulation is increasingly used as a tool for:

- protection of economic sovereignty;
- sanctions pressure;
- control over cross-border capital flows.

This gives regulation not only a financial but also a geopolitical dimension.

Asymmetry of regulatory consequences

Tightening measures affect participants unevenly:

- large players adapt;
- small and retail users are displaced;
- grey schemes transform but do not disappear.

Regulatory pressure changes the shape of the market but does not eliminate all risks.

Institutional limits of future reforms

Even with stricter control, the following remain:

- cross-border gaps;
- technological advancement of illicit schemes;
- dependence on private infrastructure.

Full control over the crypto market remains unattainable.

Conclusions

The future of international cryptocurrency regulation is characterized by systemic tightening and a shift in focus from individual crimes to infrastructure risks. Stablecoins, the OTC segment, and intermediaries enabling grey schemes will face the greatest pressure. Users and businesses that ignore this trend will encounter increasing legal uncertainty.

Recommendations

- Abandoning the use of grey and borderline schemes.
- Reassessing past operations in light of future standards.
- Institutionalizing compliance as a strategic function.
- Taking into account the political and economic context of regulation.
- Preparing for a long-term reduction of crypto market autonomy.

List of sources and materials used

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