



Navigating Global Crypto Compliance

The Crypto Compliance Report

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From Washington to Brussels, the first half of 2025 marked a turning point in how crypto is regulated, and how compliance teams should respond. As regulators around the world tighten their grip on stablecoins, DeFi, and crypto asset flows, financial institutions now need to adopt active, data-driven tools that provide real insight into crypto activity. To put it simply, transparency isn't optional anymore.

Here's the inside track on what's new:

1. United States: Genius Act Reshapes Stablecoin Rules

In July 2025, the Governing the Emergence of Novel Instruments in the United States (GENIUS) Act was signed into law. It focuses on the regulation of payment stablecoins, with implications for banks, fintechs, custodians, and global compliance standards.

At its core, the GENIUS Act seeks to legitimise and stabilise the role of fiat-backed stablecoins within the U.S. financial system.

Here are some of its key provisions:

- > **Mandatory federal licensing:** Only entities licensed by the Federal Reserve or the Office of the Comptroller of the Currency may issue payment stablecoins in the U.S.;
- > **Reserve requirements:** Issuers must maintain 1:1 fully backed, segregated reserves in cash or short-term Treasuries;
- > **Audit and disclosure standards:** Regular audits, public attestations, and enhanced reserve transparency are now legal obligations;
- > **Third-party providers:** Banks and other financial institutions that provide services to stablecoin issuers will need to ensure that their AML programs adequately reflect the heightened risks associated with digital asset flows;
- > **Consumer protection:** Users must be afforded immediate redemption rights, and issuers must clearly disclose any risks in redemption mechanisms.

Supporters of the law, including major banks, stablecoin issuers, and U.S. Treasury officials, argue that the GENIUS Act brings legal clarity and boosts USD dominance in global crypto rails.

However, critics, including AML experts, crypto transparency watchdogs, and former regulators, have raised concerns that the GENIUS Act creates regulatory arbitrage between actors, noting that while banks face strict OCC/Fed supervision, non-bank fintech issuers may receive federal licenses with lower scrutiny, creating regulatory asymmetry.

In addition, critics have argued that there are no explicit requirements for real-time on-chain transaction surveillance, even though stablecoins are often used in peer-to-peer laundering schemes and DEX arbitrage loops.

2. European Union: Mica Enforcement Begins

Following MiCA's entry into force, the EU is entering a new phase of active enforcement and supervisory escalation. Key developments we can report include:

- > **AML guidance update:** The European Banking Authority (EBA) has issued updated AML guidance requiring full risk scoring, transaction monitoring, and ownership tracing for all crypto-asset service providers (CASPs);
- > **Licensing extended:** As of July 2025, 12 firms across seven countries are now licensed to issue fiat-backed EMTs (Electronic Money Tokens), including Circle France, SG Forge, AllUnity and Membrane Finance/Paxos;
- > **Service passporting:** As of July 2025, major platforms like Coinbase, Kraken, Bitvavo, AMDAX and Bitpanda are now fully MiCA-licensed, enabling service passporting across the EEA.

3. Switzerland: Under-The-Radar Reforms With Major Impact

Switzerland, historically a crypto-friendly jurisdiction, is undergoing an AML compliance transformation. Here are the latest updates:

- > **Centralised UBO registry** goes live in 2026, mandating ownership transparency for all legal entities;
- > **New AML obligations** for advisors and intermediaries, ending exemptions for lawyers and trustees;
- > **Lower thresholds** for cash transactions: CHF 15,000 for precious metals and real estate now trigger full CDD;
- > **Sanctions oversight** Financial intermediaries and advisors are explicitly required to implement organisational measures to effectively record, limit, and monitor sanction risks in accordance with the Embargo Act;
- > **Regulator data sharing** becomes formalised across FINMA, SROs, and MROS;
- > **Digital reporting standards** for AML SARs filings. Structured formats like XML/JSON become mandatory.

These reforms bring new obligations for crypto firms, banks, and any institution handling Swiss clients or counterparties.

4. United Kingdom: Enforcement Moves From Discussion To Action

UK regulators have sharpened their focus on crypto AML enforcement in 2025.

The National Crime Agency (NCA) and the Financial Conduct Authority (FCA) have published [joint AML priorities](#). The UK's priorities feature:

- > **Real-time monitoring of crypto transactions:** VASPs are expected to implement continuous screening of wallets and counterparties, especially for high-velocity or cross-chain activity.
- > **Supervision of unhosted wallet interactions:** Unhosted wallets are flagged as elevated AML risk vectors, especially when used for inbound flows. Firms must document and justify risk-based decisions on whether to allow or restrict unhosted wallet access.
- > **Risk-based controls on fiat-crypto on/off-ramps:** The FCA has emphasised that exchanges and banks must understand customer flow patterns, identify irregular transfers, and screen for structuring behaviour or obfuscated origins. On-ramping partners and third-party facilitators are under increased audit scrutiny.

In addition, UK authorities have seized multiple crypto ATMs operating without FCA registration, citing systemic AML risks. According to a July 2025 [statement](#), joint enforcement actions were carried out by the Metropolitan Police, FCA and NCA across southwest London. Seven illegal crypto ATMs were seized as part of a crackdown on unregistered cryptoasset exchange operations.

The FCA emphasised that no crypto ATMs are currently registered to operate legally in the UK, and that running such machines without registration is a criminal offence under the Money Laundering Regulations (MLRs).

5. FATF Priority Update: Virtual Assets & VASPs

The Financial Action Task Force released its [6th Targeted Update on Recommendation 15 \(R.15\)](#) in June 2025, offering a sobering look at global crypto compliance.

R.15 focuses on requiring countries to identify, license or register, and supervise virtual asset service providers (VASPs), ensuring they implement robust Anti-Money Laundering (AML) and counter-terrorist financing (CFT) measures. The key theme? Enforcement remains fragmented and the window for passive oversight is closing.

Key takeaways include:

- > **Widespread non-compliance:** As of April 2025, only 29% of assessed jurisdictions (~40 of 138) are “largely compliant” with R.15. Nearly half are still partially compliant or non-compliant;
- > **Focus on stablecoins:** The report underscores that most illicit crypto activity now involves stablecoins, with wallets linked to fraud, sanctions evasion, and North Korean theft;
- > **Recommendation 15 update:** FATF has announced that it will publish targeted reports on stablecoins, offshore VASPs and DeFi between October 2025 and June 2026, completing its broader work on Recommendation 15 implementation;
- > **Enforcement call:** FATF calls for urgent enforcement action: licensing, regulatory oversight, and the operationalisation of the Travel Rule (Recommendation 16);
- > **Recommendation 16 enhanced:** In June 2025, FATF member countries agreed to update Recommendation 16 to enhance data consistency in virtual asset transfers and reduce cross-border AML/CTF vulnerabilities.

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