

## The Impact of Cryptocurrency Classification on Money Laundering: Analyzing the Preferences of Criminals for Stable Coins, Utility Coins, and Privacy Tokens

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**Abstract :** The purpose of this research is to examine the impact of cryptocurrency classification on money laundering crimes and to analyze how the preferences of criminals differ according to the type of digital currency used. Specifically, we aim to explore the roles of stablecoins, utility coins, and privacy tokens in facilitating or hindering money laundering activities and to identify the key factors that influence the choices of criminals in using these cryptocurrencies. To achieve our research objectives, we used a dataset for the most highly traded cryptocurrencies (32 currencies) that were published on the coin market cap for 2022. In addition to conducting a comprehensive review of the existing literature on cryptocurrency and money laundering, with a focus on stablecoins, utility coins, and privacy tokens, Furthermore, we conducted several Multivariate analyses. Our study reveals that the classification of cryptocurrency plays a significant role in money laundering activities, as criminals tend to prefer certain types of digital currencies over others, depending on their specific needs and goals. Specifically, we found that stablecoins are more commonly used in money laundering due to their relatively stable value and low volatility, which makes them less risky to hold and transfer. Utility coins, on the other hand, are less frequently used in money laundering due to their lack of anonymity and limited liquidity. Finally, privacy tokens, such as Monero and Zcash, are increasingly becoming a preferred choice among criminals due to their high degree of privacy and untraceability. In summary, our study highlights the importance of understanding the nuances of cryptocurrency classification in the context of money laundering and provides insights into the preferences of criminals in using digital currencies for illegal activities. Based on our findings, our recommendation to the policymakers is to address the potential misuse of cryptocurrencies for money laundering. By implementing measures to regulate stable coins, strengthening cross-border cooperation, fostering public-private partnerships, and increasing cooperation, policymakers can help prevent and detect money laundering activities involving digital currencies.

**Keywords :** crime, cryptocurrency, money laundering, tokens.

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