

# Digital Currencies: Individual Perceptions of the Impact on Money Laundering and the Transition to a Cashless Environment

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## **Abstract**

*Based on the correlation between the use of cash and criminal activity demonstrated in the literature, we conducted a survey to identify the civilian community's perception of the extent to which the adoption of cashless transactions could mitigate criminal behaviour. Our study investigates both attitudes towards digital currencies and the feasibility of transitioning to a cashless society. The survey results show scepticism towards limiting cash as a comprehensive solution to combat illicit financial activities, highlighting the importance for policymakers to weigh the potential benefits against criminal adaptability. The varied perspectives among legal and public policy respondents highlight the nuanced considerations surrounding cash restrictions, with some advocating their benefits in combating money laundering while others remain sceptical. Concerns expressed by respondents about privacy, institutional control and economic autonomy highlight the multiple implications of the transition to a cashless society. These findings underline the need for robust legal and regulatory frameworks to protect individual privacy rights and ensure transparency in the use of transaction data. In addition, respondents' concerns about oversight and trust in digital payment systems underscore the need for thorough analysis prior to the adoption of centralised digital currencies.*

**Keywords:** money laundering, cryptocurrency, CBDC, blockchain, cash.

**JEL Classification:** E42, H26, K14, K24

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## **1. Introduction**

Cash remains the preferred medium for illicit funds in the initial phases

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of money laundering<sup>3</sup>. In the placement phase, criminals strive to integrate the proceeds of criminal activity into legitimate financial channels or bank accounts. This phase presents a vulnerability for criminals as they attempt to inject significant amounts of money into the financial system, often in bulk. Even in cases of wire fraud, criminals resort to withdrawing stolen funds from bank accounts, transporting cash across borders or transferring it to alternative accounts to disrupt audit trails.

Law enforcement agencies face a multitude of challenges arising from different legislative frameworks, administrative structures and regulatory authorities in different jurisdictions. Each state operates within distinct criminal justice systems, civil procedures and financial supervision mechanisms, which adds complexity to the anti-money laundering task. These inherent complexities may partly explain the perceived inadequacy of conventional anti-money laundering measures. In addition, the continued reliance on cash as the primary means of carrying out illicit activities is a significant obstacle to effective law enforcement efforts. Given the anonymity, lack of connection and untraceability inherent in cash transactions, it continues to be a preferred instrument for criminal transactions.

This paper is the next step in the research aimed at exploring the advantages and disadvantages of replacing cash with digital currencies (cryptocurrency and Central Bank Digital Currency – CBDC) as a means of combating money laundering from the perspective of private actors through a survey. In the first approach carried out in this direction<sup>4</sup>, we argued that replacing cash with a central bank digital currency (CBDC) or cryptocurrency could be a feasible strategy to reduce financial crime, i.e. money laundering. By replacing cash with cryptocurrencies, the crime rate could be reduced, primarily by limiting the number of criminals due to the technical expertise required to navigate these platforms. We showed that despite their association with certain criminal activities, cryptocurrencies were still a relatively safe medium in 2021, with only 0.15% of the total volume of cryptocurrency transactions related to money laundering. However, just moving to cryptocurrencies does not guarantee a future with less money laundering, as transactions are not transparent and often take place anonymously. This challenge could be addressed through collaboration between law enforcement agencies and stakeholders driving blockchain technology. Efforts towards such partnerships show promising prospects for harnessing the technology used by criminals to help apprehend them. We have

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<sup>3</sup> Guerino Ardizzi, Pierpaolo De Franceschis, and Michele Giammatteo, *Cash Payment Anomalies and Money Laundering: An Econometric Analysis of Italian Municipalities*, *International Review of Law and Economics* (Print) 56 (December 1, 2018): 106, <https://doi.org/10.1016/j.irle.2018.08.001>.

<sup>4</sup> Cristina Căpățină and Raluca Ghețu, *Investigating Cash Replacement as a Means of Fighting Money Laundering: The Case of Digital Currency and Its Economic Impact*. Proceedings of the 39th International Business Information Management Association (IBIMA) (2022): 3502–3504. Accessed March 4, 2024.

also shown that CBDCs offer a potentially more effective solution for reducing financial crime due to their inherent transparency and lack of anonymity. The technology supporting CBDCs ensures both security and privacy while maintaining traceability. However, the centralized nature of CBDCs raises concerns about government oversight, and it is unclear whether people would prefer a centralized approach over a decentralized one that relies on banks and other private entities.

This study presents the perception of the civil community based on the results of a detailed survey conducted on a sample of 100 respondents, predominantly from Romania, to which were added participants from various countries, including the UK, Canada, France, Germany, Ireland and Brunei. Conducted until October 2023, the survey was designed to assess individuals' perceptions of cryptocurrencies and central bank digital currencies (CBDCs). Specifically, the survey sought to elucidate respondents' views on the potential of these digital currencies to mitigate money laundering by replacing conventional cash transactions. In addition, the survey sought to deepen participants' perceptions of the feasibility and desirability of transitioning from cash to digital currencies. Through this research, we aim to shed light on individuals' attitudes towards the role of digital currencies in the fight against financial crime. By exploring their perspectives on both cryptocurrencies and CBDCs, as well as their desire to embrace a cashless society, we sought to uncover insights into the perceived benefits and threats of these emerging technologies. The results of this survey provide valuable insight into the prevailing sentiments among the public regarding the usefulness of cryptocurrencies and CBDCs as potential tools for increasing financial transparency and reducing illicit financial activities. By disseminating these findings, we hope to contribute to informed discussions and policymaking efforts aimed at harnessing the transformative potential of digital currencies in promoting financial integrity and security.

This paper is divided into three sections. After this introduction, section II discusses the literature on the nuemarker and its link to money laundering, and section III is devoted to presenting the current state of cryptocurrency and the digital currencies we have previously proposed as an alternative way to combat money laundering. Section IV deals with conclusions and recommendations drawn from the results of the study.

## **2. Literature**

Between 2011 and 2015, the European Union recorded an average cash usage rate of around 42%, although there were considerable disparities between Member States. In particular, Finland, the United Kingdom, France and Sweden had cash usage rates below 30%, while Greece, Bulgaria and Romania relied on banknotes and coins for more than 80% of transactions. In addition, larger economies such as Germany and Italy reported high cash usage rates of 65% and

53.2% respectively<sup>5</sup>. According to the Payment and Market Infrastructures Commission and the Markets Commission<sup>6</sup>, the accessibility and continued use of physical currency can contribute to greater resilience by providing a means of communication less susceptible to disruptions caused by natural or man-made disasters affecting electricity and communication infrastructures.

The role of cash in facilitating money laundering has long been recognised, leading to different measures taken by individual countries to monitor cash transactions that exceed specific thresholds. However, the upward trajectory of this phenomenon indicates that these actions are insufficient. When cash plays a crucial role in the offender's decision-making process, reducing the movement of cash would lead to a decrease in acquisitive crime. Cashless transactions not only provide speed and convenience, but also contribute to lower crime rates. This is attributed to the absence of physical currency to steal, launder or evade taxes, as digital transactions leave a wider audit trail<sup>7</sup>. The Ethiopian government has responded to the challenge posed by the cash-based nature of the Ethiopian economy by imposing limitations on cash withdrawals from financial institutions, setting maximum limits on cash holdings, and demonetizing certain banknotes to address the proliferation and spread of financial crime linked to the cash-centric economy, to encourage the adoption of non-cash payment methods, and to protect the integrity and efficiency of the nation's payment infrastructure. The authors concluded in their study that the ultimate objective of these measures is to ensure the transition of Ethiopia's cash-intensive economy to a cashless model, thereby mitigating the prevalence of illegal activities associated with cash transactions. The study highlights the need not only to adopt and implement sound financial regulatory frameworks, but also to promote a comprehensive transformation of the cash-based economy and to establish an accessible and compatible financial infrastructure adapted to the needs of society. Based on primary data from interviews with 20 stakeholders representing the NBE, the Ethiopian Financial Intelligence Centre, commercial banks and law enforcement agencies, the authors argued that while these directives are necessary, they are not comprehensive enough to effectively curb future criminal activity. Regarding the correlation between cash and the underground economy, <sup>8</sup> showed that as the proportion of

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<sup>5</sup> Michele Riccardi and Michael Levi, *Cash, Crime and Anti-Money Laundering*, in Springer eBooks, 2018, 139, [https://doi.org/10.1007/978-3-319-64498-1\\_7](https://doi.org/10.1007/978-3-319-64498-1_7).

<sup>6</sup> Committee on Payments and Market Infrastructures and Markets Committee, Bank for International Settlements. 'Central Bank Digital Currencies.' (2018): 7. Accessed March 12, 2024. <https://www.bis.org/cpmi/publ/d174.pdf>.

<sup>7</sup> Messay Asgedom Gobena and Derege Kebede, 'Cash Economy, Criminality and Cash Regulation in Ethiopia,' *Journal of Money Laundering Control* 25, no. 3 (August 28, 2021): 9, <https://doi.org/10.1108/jmlc-06-2021-0065>.

<sup>8</sup> Schneider, Friedrich. *Restricting or Abolishing Cash: An Effective Instrument for Fighting the Shadow Economy, Crime and Terrorism?*, Conference Paper at International Cash Conference 2017 – War on Cash: Is There a Future for Cash? : 6–9, 25–27 April 2017, Island of Mainau, Germany, April 2017.

cash in total payments increases, so does the extent of the underground economy, with the relationship supported by a correlation coefficient of 0.50, indicating a strong and statistically significant association between the two variables. The author showed that a 10% decrease in cash payments correlates with a 2% reduction in the underground economy. In contrast, the assumption of a no-cash scenario would lead to a substantial 20% decrease in the underground economy, while cash limits do not produce statistically significant effects on the underground economy. Schneider (2017) also used a micro-study approach, exploring responses to the hypothetical scenario of a cashless society. Of the respondents who paid cash for services because it is anonymous, a significant proportion would seek alternative payment methods in the absence of cash. Specifically, 33% would opt for cashless transactions, 13% would proceed with increased tax considerations, 13% would no longer need these services, and 41% would explore alternative anonymous payment options such as vouchers or gifts. The author concludes that overall, while cash remains entrenched in the underground economy, its influence is not paramount, with a 10 to 20% reduction expected following its elimination, a reduction in corruption of between 1.8 and 18 percentage points (extreme case: cashlessness), a reduction in crime of between 5 and 10%. The same author also showed that cash is used predominantly in eight of the twelve most common laundering methods, indicating its significant role in facilitating these illicit financial activities. The prevalence of cash in money laundering underlines the challenges of combating illicit financial activities. Many common laundering methods, such as cash deposits, smuggling and ATM operations, predominantly involve cash transactions.

Another study<sup>9</sup> showed that the EBT program (electronic benefit transfer program, a digital, debit card-based system) demonstrated a notable and statistically significant decrease in the overall crime rate, particularly in cases of burglary, assault, and theft. Point estimates showed a 9.8% reduction in the overall crime rate following the implementation of the EBT programme. According to the same authors, this decline in the crime rate in the United States over successive decades has corresponded with a steady decline in the proportion of financial transactions conducted with cash.

### 3. Cryptocrime and the challenges of digital currencies

In the area of cryptocurrency-related crime, money laundering usually involves the transfer of funds to platforms where they can be exchanged for cash, often accompanied by additional measures to hide their original source. A prominent argument that virtual currencies such as cryptocurrencies are an

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<sup>9</sup> Richard Wright., Volkan Topalli, Chandler Mccellan and Erdal Tekin. *Less Cash, Less Crime: Evidence from the Electronic Benefit Transfer Program*. The Journal of Law and Economics, 60, no. 2 (2017): 361–383. Accessed March 15, 2024:18, 25, <https://doi.org/10.1086/693745>.

effective mechanism for money laundering is their ability to facilitate cross-border payments without relying on the services of traditional financial institutions<sup>10</sup>. A primary criticism of cryptocurrencies, particularly in terms of their use on the dark net, revolves around the level of anonymity they offer<sup>11</sup>. While cash transactions offer complete anonymity, cryptocurrencies offer less anonymity. Bitcoin, being the predominant cryptocurrency, operates under pseudonymity. Users are identified by addresses, but the real identity behind these addresses remains undisclosed to the public. However, the degree of anonymity in practice is subject to debate. Extensive academic research<sup>12,13</sup> has shown that the level of anonymity in Bitcoin does not match the original assumptions. Cash remains the main tool for criminal activity, given its superior anonymity and utility compared to cryptocurrencies<sup>14</sup>. However, the future trajectory of the currency is uncertain, highlighting the importance for policymakers to research beyond sensational headlines and understand the complexity of the cryptocurrency debate.

In its most recent examination of cryptocurrency laundering through chain analysis<sup>15</sup>, it has been shown that in 2023, there was a notable decrease in the amount of cryptocurrency, worth \$22.2 billion, sent from illicit addresses to various services. This figure represents a substantial drop compared to the \$31.5 billion sent in 2022. While some of this decline can be attributed to an overall reduction in the volume of cryptocurrency transactions, including both legitimate and illicit transactions, the decline in money laundering activity was even more pronounced. Specifically, there was a 29.5% decrease in money laundering activity, exceeding the 14.9% decrease observed in total transaction volume. In 2023, the majority of illicit funds sent to<sup>16</sup> fiat currency settlement services were concentrated in just five platforms, accounting for 71.7% of the

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<sup>10</sup> US Department of Justice, National Drug Intelligence Centre. 'Money Laundering and Digital Currencies.' [www.justice.gov](http://www.justice.gov). US Department of Justice, June 3, 2008:1, <https://www.justice.gov/archive/ndic/pubs28/28675/28675p.pdf>.

<sup>11</sup> Simon Butler, *Criminal Use of Cryptocurrencies: A Great New Threat or Is Cash Still King?*, *Journal of Cyber Policy* 4, no. 3 (September 2, 2019): 335, <https://doi.org/10.1080/23738871.2019.1680720>.

<sup>12</sup> Dorit Ron and Adi Shamir, *Quantitative Analysis of the Full Bitcoin Transaction Graph*, in *Lecture Notes in Computer Science*, 2013, 10, [https://doi.org/10.1007/978-3-642-39884-1\\_2](https://doi.org/10.1007/978-3-642-39884-1_2).

<sup>13</sup> Elli Androulaki et al., *Evaluating User Privacy in Bitcoin*, in *Lecture Notes in Computer Science*, 2013, 47, [https://doi.org/10.1007/978-3-642-39884-1\\_4](https://doi.org/10.1007/978-3-642-39884-1_4).

<sup>14</sup> Simon Butler, *op. cit.*, p. 331, <https://doi.org/10.1080/23738871.2019.1680720>.

<sup>15</sup> Chainalysis. *The Chainalysis 2024 Crypto Crime Report*. (2024): 23, Accessed March 9, 2024. <https://go.chainalysis.com/crypto-crime-2024.html>.

<sup>16</sup> 'Fiat currency disconnection services' refers to platforms or services that allow the conversion of cryptocurrencies into traditional fiat currencies, such as US dollars, euros or yen. These services provide users with a means to exchange their digital assets into fiat currency, thereby facilitating their withdrawal or use in traditional financial transactions. Common examples of fiat currency settlement services include centralised cryptocurrency exchanges, peer-to-peer (P2P) exchanges, over-the-counter (OTC) counters, cryptocurrency ATMs and platforms offering cryptocurrency-to-fiat currency conversion services.

total. This represents a slight increase from the previous year, when these top five services accounted for 68.7% of illicit funds flow. The concentration of illicit funds in off-ramping services indicates that cash is still desired by those who wish to hide the origin of their funds or use them in traditional financial transactions. Despite the rise of digital currencies and blockchain technologies, cash remains a widely accepted and versatile form of value exchange, particularly in certain illicit or underground economies where anonymity and liquidity are valued. According to Chainalysis<sup>17</sup>, a significant portion of cryptocurrency laundering involves relatively simplistic methods, where malicious actors simply transfer funds directly to cryptocurrency exchanges without using sophisticated techniques. However, cryptocurrency criminals with more advanced chain laundering capabilities, such as the infamous North Korean cyber criminals linked to hacker groups such as the Lazarus Group, often use a wider range of cryptocurrency services and protocols.

As far as CBDCs are concerned, in recent years various countries have started pioneering initiatives in the field of central bank digital currencies. China in particular launched its digital yuan pilot project in 2020, marking an important step in exploring the potential of digital currencies. The project, which runs in twelve cities from March 2022, aims to facilitate small-scale retail transactions and combat the diminishing role of cash. Similarly, Sweden has been testing the feasibility of introducing an e-krona, responding to the trend of declining cash usage and tailored to meet public preferences. The lessons from these initiatives underline the transformative potential of CBDC, albeit accompanied by the imperative for further technological exploration and risk management strategies, as demonstrated by the results of Phase 1 of the Swedish pilots. In addition, other jurisdictions have moved forward with their CBDC efforts, each tailored to address unique socio-economic contexts and objectives. The Sand Dollar in the Bahamas stands out as the world's first CBDC that provides inclusive access to financial services and increases the efficiency of remote island transactions. Meanwhile, Nigeria's eNaira, launching in October 2021, underscores the commitment to financial inclusion and security, leveraging transparency to effectively combat criminal activity. These diverse initiatives collectively highlight the evolving landscape of digital currencies, revealing both opportunities and challenges in reshaping financial ecosystems and addressing societal needs. Georgieva, Managing Director of the IMF in 2022, has stated that a virtual currency issued by a national bank, referred to as a 'central bank digital currency (CBDC)', could potentially offer, 'increased resilience, greater security, increased accessibility and reduced costs compared to privately issued digital currencies, provided it is designed with careful consideration'<sup>18</sup>. Georgieva also

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<sup>17</sup> Chainalysis, *op. cit.*, p. 29.

<sup>18</sup> Kristalina Georgieva, *The Future of Money: Gearing up for Central Bank Digital Currency*. www.imf.org. International Monetary Fund, February 9, 2022. <https://www.imf.org/en/News/Articles/2022/02/09/sp020922-the-future-of-money-gearing-up-for-central-bank-digital-currency>.

points out that CBDC development is unique to each country, tailored to its specific circumstances and requirements. Legal frameworks, motivations, governance structures and democratic processes vary from jurisdiction to jurisdiction. The Centre for International Governance Innovation examines programmability and oversight, proposing specific technical issues and governance mechanisms to address these concerns, stressing the importance of public trust, which extends beyond central banks to include democratic institutions that protect individual rights and the balance of power. According to them, if programmable money is introduced without regard to privacy issues, CBDCs could become a digital financial data ecosystem, which could raise concerns about state power and oversight<sup>19</sup>.

#### 4. Research methodology

The present study uses a survey approach with a sample of 100 respondents mainly from Romania, with participants also from the UK, Canada, France, Germany, Ireland and Brunei, from various areas of expertise, predominantly financial services, legal, business, management and administration, education, and science and technology.

The survey, comprising 13 questions, was conducted until October 2023, allowing for a comprehensive examination of participants' perceptions of cryptocurrencies and central bank digital currencies (CBDCs). The survey was designed to comprise a combination of single-answer and multiple-answer questions, with respondents also given the opportunity to enter their own response, in order to capture nuanced information about participants' attitudes, preferences and understanding of digital currencies. Particular attention was paid to develop questions that elicited detailed responses, ensuring a comprehensive understanding of the varied perspectives surrounding the topic. Data collection was carried out using an online survey platform, which allowed for efficient dissemination and collection of responses from a geographically diverse group of participants. Rigorous data validation procedures were implemented to ensure the accuracy and reliability of the data collected. In addition, ethical considerations were paramount throughout the survey process, and steps were taken to protect the confidentiality and privacy of participants.

In the following, we detail the results of the survey, addressing each question asked in the survey.

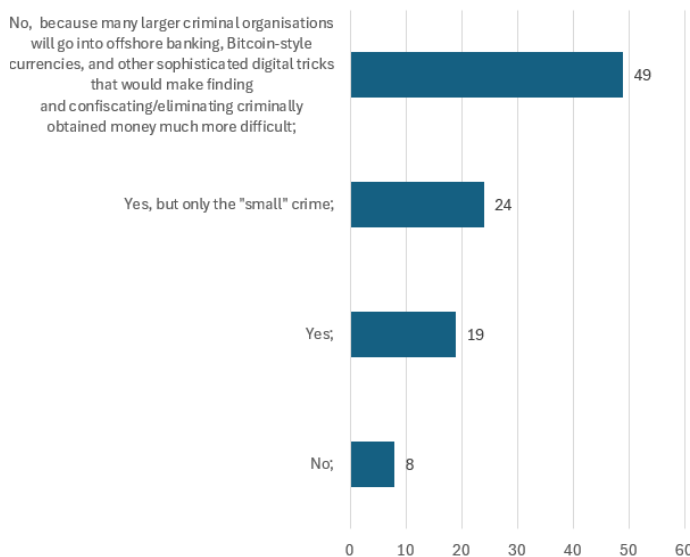
**Question 1:** *When it comes to money laundering, cash is still the king. Do you think that eliminating or limiting cash could help reduce this type of financial crime?*

The results indicate that 19 out of 100 respondents believe that limiting

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<sup>19</sup> Centre for International Governance Innovation. *CBDC Governance: Programmability, Privacy and Policies*. Prod. Digital Policy Hub – Working Paper (2024): 10–11, Accessed March 15, 2024. <https://www.cigionline.org/static/documents/DPH-paper-Freiman.pdf>.

or eliminating cash could help reduce money laundering, while only 9 respondents were totally sceptical about the usefulness of eliminating or reducing cash in reducing money laundering (Figure 1).



**Figure 1.** Answers to Question 1: Could eliminate or limiting cash help reduce money laundering?

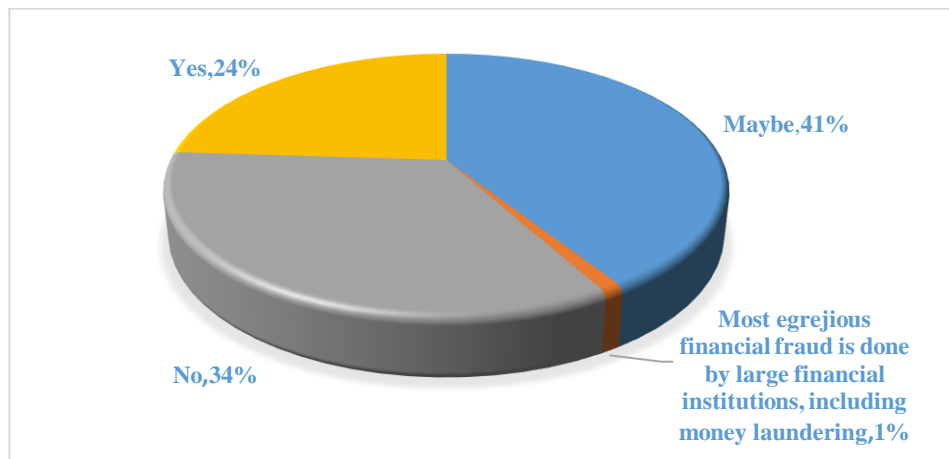
The majority of respondents (49 out of 100) say that if cash were eliminated or limited, larger criminal organisations would adapt, moving to offshore banking, cryptocurrencies such as Bitcoin or other sophisticated digital methods. This suggests that while limiting cash may prevent some forms of money laundering, criminals are likely to find alternative ways to conduct their illegal activities. Respondents who believe that limiting cash could reduce ‘small’ crimes (24 out of 100) suggest that while it may not eradicate money laundering entirely, it could deter smaller-scale criminals who rely on cash for their operations. Limiting or eliminating cash could be seen as a regulatory measure to combat money laundering. Governments often adopt laws and regulations aimed at increasing the transparency of financial transactions to detect and prevent illicit activities. However, as respondents who expressed scepticism pointed out (49 out of 100), the implementation of such measures could pose significant challenges. Criminal organisations may use sophisticated techniques to evade detection and continue their operations through alternative means, such as offshore banking or cryptocurrencies. This underlines the importance of comprehensive and adaptable legal frameworks to address evolving money laundering methods.

In relation to the field of activity of those interviewed, a significant proportion of respondents in the Business and Administration area of expertise (8 out of 13) express scepticism about the effectiveness of eliminating or limiting

cash in reducing money laundering. Respondents from the financial services sector have mixed views. While some (9 out of 19) share the view that restricting cash may not be effective due to the adaptability of criminals, others (5 out of 19) believe that limiting cash could help reduce ‘small’ crimes associated with money laundering. Legal and public policy professionals have mixed views, with 8 out of 14 believing that cash limits could be beneficial in combating money laundering and 5 out of 14 sceptical because of the adaptability of criminals to alternative financial channels. Only one respondent in this area of expertise strongly believes that eliminating or limiting cash would not help reduce money laundering.

**Question 2:** *The G7 Financial Action Task Force (FATF) designates tax evasion as a predicate offence for money laundering. Do you believe replacing cash with a more traceable currency could discourage tax evasion?*

Figure 2 shows the survey responses on the possibility of discouraging tax evasion by replacing cash:



**Figure 2.** *Answers to Question 2: Do you think that replacing cash with a more traceable currency could discourage tax evasion?*

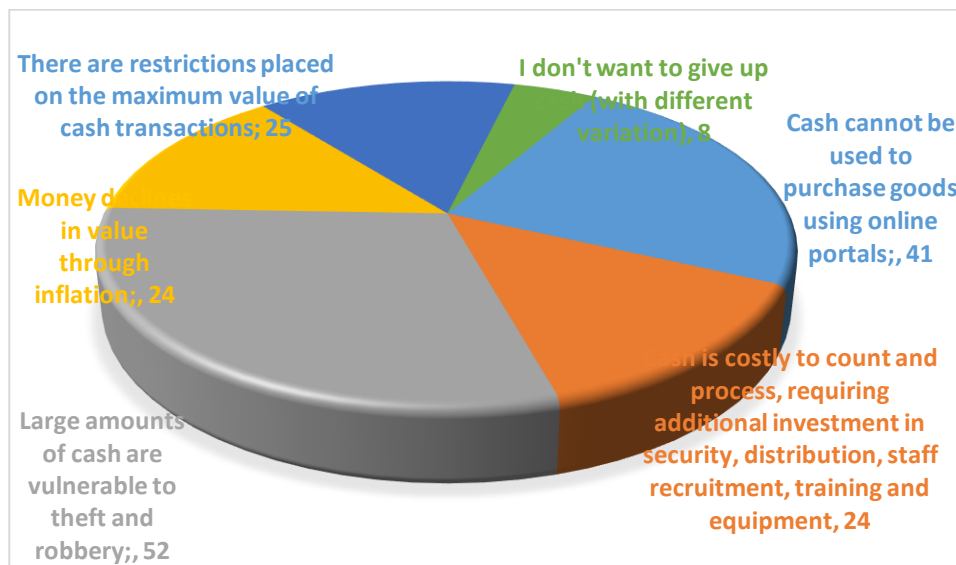
The results collected present interesting insights, both from an economic and legal point of view, into the potential impact of replacing cash with a more traceable currency on tax evasion. The high proportion of respondents expressing uncertainty (‘Maybe’) about the effectiveness of traceable currencies in deterring tax evasion (41%) suggests a lack of consensus within the community. This uncertainty may stem from a variety of factors, including concerns about the implementation of traceable currencies and their potential effectiveness in deterring tax avoidance behaviour. In addition, responses indicating scepticism (‘No’) about the ability of traceable currencies to deter tax evasion (34%) highlight the inherent complexity of tackling financial crime through technological interventions alone. This scepticism may reflect concerns about the

wider legal and ethical implications of moving to a more traceable currency system. In addition, the proportion of respondents (1%) highlighting that the most serious financial fraud is committed by large financial institutions, including money laundering, underlines the importance of strong regulatory mechanisms to combat financial misconduct, regardless of currency traceability. However, the presence of respondents who expressed a belief in the potential effectiveness of traceable coins in deterring tax evasion ('Yes', 24%) suggests that some individuals perceive traceable coins as a promising tool for increasing financial transparency and combating illicit financial activities.

It is noted that a significant number of respondents from the financial services industry are uncertain ('Maybe') about the effectiveness of traceable currencies in reducing tax evasion (11). This uncertainty could stem from concerns within the financial sector about the practicality and effectiveness of implementing traceable currency schemes. In contrast, legal and public policy respondents express greater confidence ('Yes') in the potential of traceable currencies to deter tax evasion (7). This optimism likely reflects the belief of legal and public policy professionals that increased traceability can facilitate more robust enforcement and compliance measures. However, the diverse range of views reflected in the survey underscores the need for further interdisciplinary research and dialogue to inform policy decisions on the adoption of traceable currencies and their implications for effectively addressing tax evasion.

**Question 3:** *In some countries, the demand for cash has steadily declined. Why would you give up cash? (multiple choice).*

Fear of theft and robbery associated with large amounts of cash is a predominant concern among respondents (reason found in 52 out of 174 options). From a legal and economic point of view, the risk of theft is not only a physical danger, but also a financial loss for individuals and businesses, requiring investment in security measures. Another substantial group (24 out of 174) highlights, as a reason for giving up cash, the costs associated with cash handling, including counting, processing, security, distribution and staff training. This resonates with economic principles, as businesses and financial institutions incur tangible costs for handling cash transactions that could be minimised or avoided with digital alternatives. Some respondents express concern about the decline in the value of money due to inflation (a reason found in 24 out of 174 options). This is in line with economic theory, according to which holding cash can lead to loss of purchasing power over time, especially if inflation exceeds interest rates on cash deposits. In addition, a subset of respondents cites restrictions on the maximum amount of cash transactions as a factor influencing their willingness to give up cash (25 out of 174). Such restrictions, often imposed by regulators, can limit the usefulness of cash for larger transactions, leading people to explore alternative payment methods.



**Figure 3.** Answers to Question 3: Why would you give up cash?

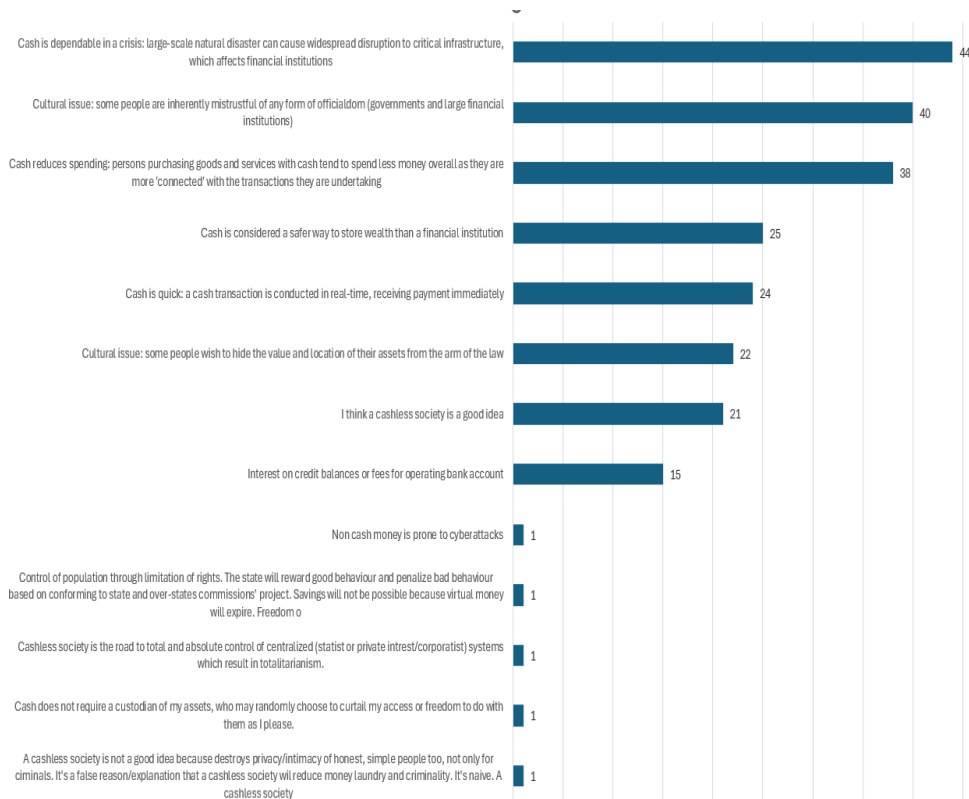
Despite the practical disadvantages and limitations associated with cash, the reluctance to give it up is found in 8 out of 174 choices made by respondents. This sentiment underlines deep-seated cultural and personal preferences for cash as a tangible form of payment, highlighting resistance to adopting digital alternatives.

These responses highlight the multifaceted considerations involved in individuals’ decisions about the use of cash. While technological advances and legislative changes may influence the adoption of digital payment methods, factors such as security, convenience, financial implications and personal preferences continue to shape the dynamics of cash use in society.

**Question 4:** *What do you think are the main reasons why a cashless society is not a good idea? (multiple choice)*

The results reveal various concerns and criticisms about the transition to a cashless society (Figure 4).

Forty-four (44) respondents chose the fact that cash is reliable in crisis as a reason against a cashless society: large-scale natural disasters can cause large-scale disruptions to critical infrastructure, affecting financial institutions.



**Figure 4.** Answers to Question 4: What do you think are the main reasons why a cashless society is not a good idea?

This response highlights the reliability of cash as a form of payment in emergency situations and disruptions, reflecting concerns about the resilience of financial infrastructure and highlighting the importance of stability and accessibility of transactions. Forty (40) respondents cited cultural issues as the main reason, agreeing that some people are inherently distrustful of any form of officialdom (governments and large financial institutions). This response highlights the cultural and behavioural factors that influence attitudes towards government and financial institutions, indicating widespread distrust and scepticism, which may have implications for regulatory compliance and consumer behaviour. Practical and behavioural factors were cited by 38 respondents, citing the fact that cash reduces spending as a reason against a cashless society: people who buy goods and services with cash tend to spend less money in general because they are more ‘connected’ to the transactions they make. This perspective highlights the behavioural aspect of cash transactions, suggesting that the tangibility of cash encourages people to be more mindful of their spending, ultimately leading to reduced expenditure. An interesting 22% of respondents chose as a reason against a cashless society the fact that some people

want to hide the value and location of their assets from the law. This response reflects concerns about privacy and individual autonomy in financial matters, suggesting a desire to maintain privacy in asset management, possibly for legal reasons or personal preference. Twenty-five respondents believe that cash is a safer way to store wealth than a financial institution. This view reflects distrust of financial institutions and suggests a preference for physical cash as a means of protecting wealth, highlighting concerns about the legal and economic risks associated with institutional failures or malpractices. According to 24 other respondents, the main reason for not giving up cash is that it is fast: a cash transaction is carried out in real time, receiving payment immediately. This highlights the practical advantage of cash transactions in terms of speed and immediacy, suggesting a preference for cash over digital payments in certain contexts, which may have implications for the efficiency and convenience of transactions. Of the 100 respondents, a significant proportion (21%) think that the cashless society is a good idea. This represents a contrasting view advocating the benefits of a cashless society, which may include efficiency, transparency and financial innovation, suggesting a recognition of the potential of digital payment systems to address various societal challenges. Interest on credit balances or fees for operating bank accounts were the reasons chosen by 15 respondents against a cashless society. This reflects economic considerations related to the financial costs and fees associated with cashless transactions, suggesting affordability concerns that may have legal implications for consumer protection and financial inclusion.

Other respondents were totally against a cashless society, with the following arguments:

*'Cashless society is the road to total and absolute control of centralized systems which result in totalitarianism'* (1 respondent): This viewpoint highlights apprehensions about the potential for increased government or corporate control in a cashless society, expressing concerns about the erosion of individual freedoms and democratic principles, which are fundamental legal and ethical considerations.

*'Non-cash money is prone to cyberattacks'* (1 respondent): This response underscores concerns regarding the vulnerability of digital transactions to cyber threats, suggesting a recognition of the legal and economic risks associated with cybercrime in a cashless society.

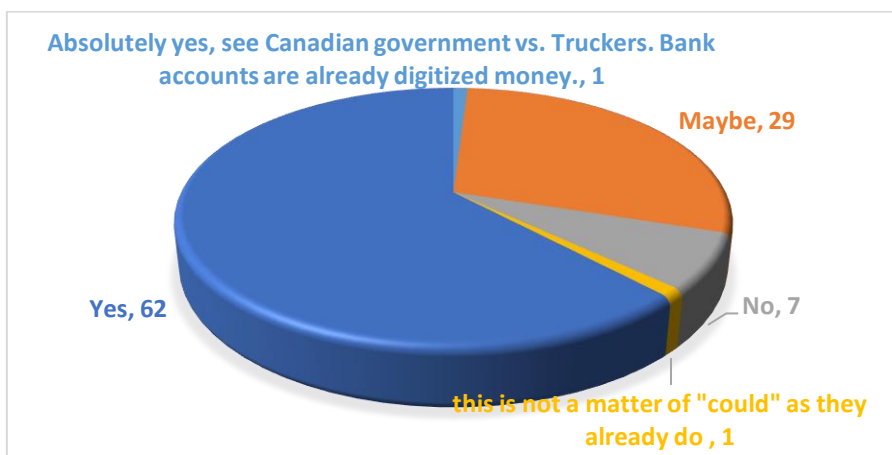
*'A cashless society is not a good idea because it destroys privacy/intimacy of honest, simple people too, not only for criminals ...'* (1 respondent): This response extends the privacy concern beyond criminal activities, suggesting broader implications for personal privacy and intimacy, which have legal and ethical dimensions.

*'Cash does not require a custodian of my assets, who may randomly choose to curtail my access or freedom to do with them as I please.'* (1 respondent): This highlights concerns about institutional control and autonomy

in asset management, emphasizing the legal and economic implications of custodial arrangements and property rights.

*'Control of population through limitation of rights. The state will reward good behaviour and penalize bad behaviour based on conforming to the state and over-state commissions' project. Savings will not be possible because virtual money will expire. Freedom of buying will be very impacted as you will only be allowed to buy products and services that the state allows you to.'* (1 respondent): This response raises concerns about potential governmental control and limitations on individual rights in a cashless society, indicating broader socio-political implications for governance and civil liberties, which are fundamental legal and ethical considerations.

**Question 5:** *Cash allows us to make purchases anonymously. Without cash, we would be forced to leave a record of everything we buy. Do you think governments and or corporations could use one's acquisition history to follow, monitor, or intimidate?*



**Figure 5.** *Answers to Question 5: Do you think governments and/or corporations could use a person's purchase history to track, monitor or intimidate them?*

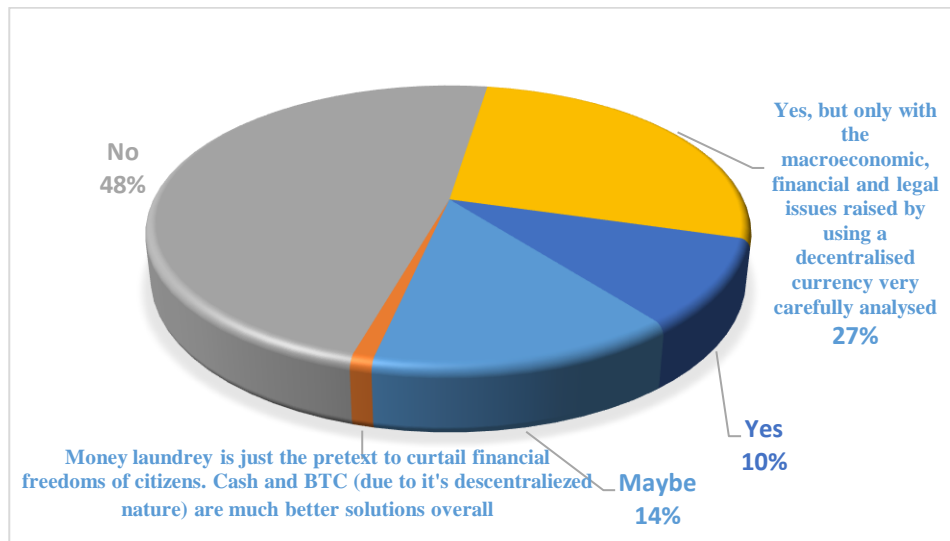
The results of this survey suggest significant concerns about privacy and government/corporate oversight in a cashless society. The overwhelming majority of respondents (62%) believe that governments and corporations could indeed use people's purchase histories to track, monitor or intimidate them. This view highlights the potential misuse of cashless transaction data, highlighting the need for strong legal frameworks to protect individuals' privacy rights.

Twenty-nine percent of respondents indicated 'Maybe', demonstrating the perception that governments and corporations could exploit individuals' purchase histories for monitoring or intimidation purposes. One respondent asserted their concerns by referencing the Canadian Government v. Truckers case, which likely alludes to events where digital financial records were allegedly used

to target and penalize protest participants, illustrating a real-world example of how purchase history can be used for surveillance and control purposes. This example can serve as a catalyst for discussions about government overreach and the balance between security measures and individual freedoms in a cashless society. Survey responses also indicate scepticism about the feasibility of maintaining anonymity in a cashless society, with only a minority (7%) expressing total distrust of the potential for misuse of purchase history. This may suggest that the majority of respondents recognise the inherent risks associated with digital transactions and the collection of personal data by governments and corporations.

The findings underscore the importance of legal and regulatory mechanisms to protect individual privacy rights and to ensure transparency and accountability in the use of transaction data by government and corporate entities. In addition, concerns about surveillance and intimidation could have implications for consumer behaviour and trust in digital payment systems, potentially impacting economic activities in a cashless society.

**Question 6:** *According to the Chainalysis 2022 Crypto Crime Report, money laundering accounted for just 0.15% of all cryptocurrency transaction volume in 2021. Law enforcement can use software to track and trace bitcoin transactions and give them the leads they need to follow the money trail. Do you believe replacing cash with cryptocurrencies could help reduce money laundering?*



**Figure 6.** *Answers to Question 6: Do you think replacing cash with cryptocurrencies could help reduce money laundering?*

The survey results present a nuanced perspective on whether

cryptocurrencies, especially Bitcoin, can effectively reduce money laundering compared to traditional cash transactions (Figure 6).

The majority of respondents (48%) expressed scepticism that these cryptocurrencies will not effectively curb money laundering. This view likely stems from recognition of the challenges cryptocurrencies pose, such as their inherent anonymity and decentralised nature, which can facilitate illicit activities despite the transparency offered by blockchain technology. A significant proportion of respondents (27%) indicated that cryptocurrencies could indeed reduce money laundering, but stressed the need for careful analysis of macro-economic, financial and legal aspects before implementation. This perspective underlines the importance of comprehensive regulatory frameworks to address the unique challenges posed by decentralised currencies and to mitigate potential risks.

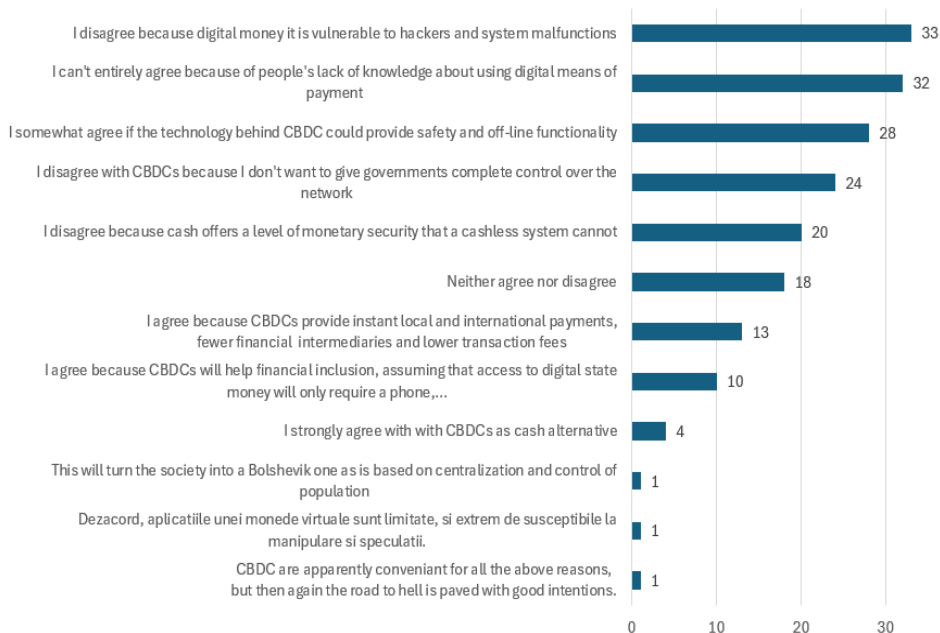
A smaller proportion of respondents (14%) answered 'Maybe', reflecting a recognition of the complexity of this issue. They probably recognise both the potential benefits of cryptocurrencies in terms of traceability and concerns about their possible misuse, highlighting the need for further examination and possibly regulation. Confidence in the potential of cryptocurrencies to reduce money laundering was at 10%. While this view acknowledges the challenges and complexities involved, it suggests optimism about the effectiveness of cryptocurrencies in increasing transparency and traceability, which could mitigate illicit financial activities. Only one respondent (1%) expressed the view that money laundering concerns serve as a pretext to limit citizens' financial freedoms. They argued that both cash and Bitcoin, due to their decentralised nature, offer good global solutions.

Overall, these results illustrate the diverse perspectives within the community on the role of cryptocurrencies in combating money laundering. They highlight the need for careful analysis of regulatory frameworks, economic stability and law enforcement mechanisms to effectively address the complexities of using decentralised currencies.

**Question 7:** *According to IMF, Central Bank Digital Currency (CBDC) might offer more resilience, more safety, greater availability, and lower costs than private forms of digital money. What do you think about CBDCs as cash alternative?*

One respondent expresses scepticism about the usefulness of CBDCs, while acknowledging their potential benefits, warning of possible negative consequences. This view suggests caution about unforeseen implications and highlights the need to consider the wider impact on society. Another respondent highlights the limited applications of virtual currency and its susceptibility to manipulation and speculation. This view raises doubts about the stability and reliability of CBDCs, suggesting that they may not be as resilient or secure as claimed. One respondent expresses fears that CBDC could lead to a centralised and controlled society, drawing parallels with Bolshevik regimes. This view

highlights concerns about government control and surveillance, highlighting the potential erosion of individual freedoms and privacy. A total of 27 respondents support CBDC as an alternative to cash, citing reasons such as better financial inclusion, efficient welfare payments and simplified international transactions.



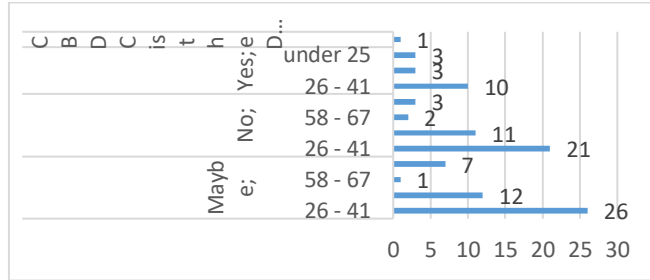
**Figure 7.** Answers to Question 7: What do you think of CBDC as an alternative to cash?

This perspective highlights the perceived benefits in terms of promoting financial accessibility, reducing costs and increasing efficiency. Variants against CBDCs were identified in 77 responses, with respondents offering as arguments that these digital currencies are vulnerable to hackers and system errors (33), that they do not want to give governments total control over the system (24), that cash offers a level of monetary security that a cashless society would not (20). Other respondents expressed more nuanced positions, neither agreeing nor disagreeing with CBDCs. Their concerns ranged from the need for security and offline functionality to issues of technological literacy and vulnerability to cyber threats and system failures.

These responses reflect the varied perspectives within the civilian community on the adoption of CBDCs as an alternative to cash. While some respondents emphasize the potential benefits, others express concerns about centralization, privacy, security, and social implications. Thorough analysis and consideration of these factors are essential before CBDCs are widely adopted.

**Question 8:** Do you believe replacing cash with CBDCs could help reduce money laundering crime?

Interpretation of the results while taking into account the age groups of the respondents (Figure 8) indicates varying levels of scepticism, cautious optimism and outright opposition to the idea of replacing cash with central bank digital currencies (CBDCs) as a means of reducing money laundering.

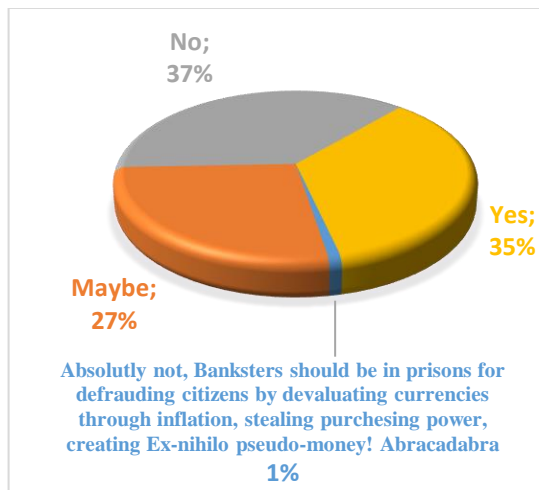


**Figure 8.** Answers to Question 8: could replace cash with CBDCs help reduce money laundering offences?

Across all age groups, there is a predominant sense of uncertainty, with 46 respondents expressing a ‘maybe’ position. This indicates a lack of confidence in the ability of CBDCs to effectively curb money laundering. Respondents under the age of 25 showed a higher degree of uncertainty (7 ‘Maybe’ responses and 3 ‘No’ responses) compared to those in other age groups. This could be attributed to a combination of factors, such as less familiarity with financial systems, a more cautious approach to new technologies or a lack of trust in centralised systems. The 26–41 age group showed a mix of responses, with a significant proportion leaning towards uncertainty (26 ‘Maybe’ responses and 21 ‘No’ responses), indicating a more cautious attitude towards adopting CBDCs to combat money laundering. 42 - 57 and 58–67: Relatively fewer respondents in these age groups responded, with the majority expressing uncertainty or opposition to the idea of replacing cash with CBDCs to reduce money laundering. A substantial number of respondents (37) categorically rejected the idea that CBDCs could help reduce money laundering. This suggests scepticism or concern about the effectiveness of CBDCs in tackling financial crime. A smaller number of respondents (16) expressed support for this idea, including 10 in the 26–41 age group, 3 in the under 25 age group and 3 in the 42–57 age group. This indicates a minority view in favour of CBDCs as an anti-money laundering tools. One respondent expressed strong opposition to CBDCs, characterising them as a threat to individual freedoms under the guise of protection. This view highlights concerns about potential abuses of power and loss of privacy associated with CBDCs.

Overall, the results suggest a prevailing sense of uncertainty about the effectiveness of CBDCs in reducing money laundering. Age-based analysis reveals nuanced perspectives, with younger respondents showing more uncertainty and older respondents showing varying levels of scepticism or opposition.

**Question 9:** *Do you believe that banks, payment institutions or other commercial entities should be involved in issuing a digital currency?*



**Figure 9.** *Answers to Question 9: should banks, payment institutions or other commercial entities be involved in issuing a digital currency?*

Interpreting these results (Figure 9) reveals a wide range of views on the involvement of banks, payment institutions or other commercial entities in issuing digital coins. One respondent strongly opposes this idea, expressing disbelief and suggesting that banks should face legal consequences for perceived fraudulent practices linked to currency devaluation and inflation. This view reflects a deep-seated scepticism of traditional financial institutions and their role in monetary affairs.

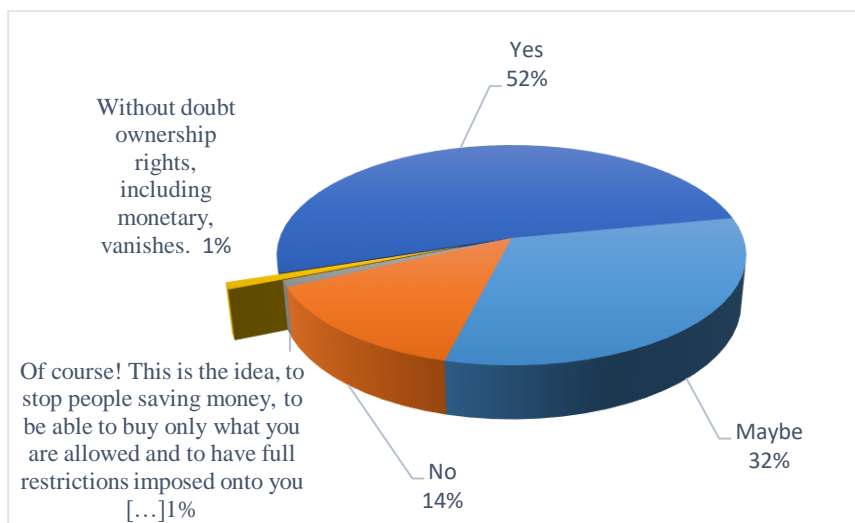
A large group of respondents (27) express uncertainty ('Maybe') about the possibility of banks and other commercial entities being involved in issuing digital currencies. This uncertainty may stem from concerns about the potential consequences and the need for further analysis of the legal and economic implications. A significant proportion of respondents (37) categorically reject the idea, indicating a strong aversion to banks, payment institutions or other commercial entities playing a role in issuing digital money. This opposition may be motivated by concerns about centralisation, profit motives and potential abuse of power. Another group of respondents (35) express support for the involvement of banks, payment institutions or other commercial entities in the issuance of digital currencies. This view is likely to emphasise the expertise and infrastructure that these entities possess, which could facilitate the adoption and management of digital currencies.

Overall, these results highlight the complex relationship between traditional financial institutions and the emerging digital currency landscape. While some respondents advocate for the involvement of banks and commercial

entities according to their capabilities and resources, others express deep distrust and opposition, reflecting broader concerns about financial systems and their impact on society. These diverse perspectives highlight the need for careful consideration of regulatory frameworks, ethical principles and economic implications when assessing the role of banks and commercial entities in issuing digital currencies.

**Question 10:** *A CBDC is programmable, meaning that the government could put digital restriction rules to the point that the currency can be programmed to expire. Do you think this might threaten to save money, the consumers being forced to use it by a specific date?*

Based on the results provided, there appears to be a wide range of views on the potential impact of programmable CBDCs (central bank digital currencies) on money saving and consumer freedom (Figure 10):



**Figure 10.** *Answers to Question 10: CBDC perceived threats to consumer saving habits and freedom.*

Only 14% of respondents strongly believe that programmable CBDCs will not pose a threat to saving money or force consumers to use them within a specified timeframe. It is worth noting that all respondents who do not perceive CBDCs as a threat are located in Romania, covering different areas of expertise and age groups. Of the remaining 86 respondents, 32 acknowledge that there could be a threat to saving money but are not fully convinced, and 52 strongly agree that programmable CBDCs could threaten to save money and force consumers to use them by a certain date, with a consistent theme of apprehension, particularly among those in financial services, law, and science and technology. In addition to the 52 respondents who answered ‘Yes’ to the question about the threat that CBDCs pose to saving money, two other respondents offered more

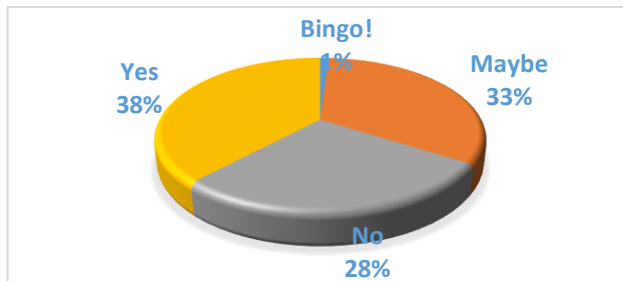
explicit perspectives on this issue. These individuals chose not to simply select the ‘Yes’ option, but provided their own detailed responses:

One respondent said: *‘Of course! That’s the idea, to stop people from saving money, to be able to buy only what you are allowed to buy and have all the restrictions imposed on you if you follow the rules [...]’* strongly indicates the belief that CBDCs are designed with the specific intention of reducing saving habits and exercising control over consumer behaviour. The other respondent expressed concern about the erosion of property rights, including money rights, in the context of programmable CBDCs. This respondent expressed this concern by stating, *‘Without a doubt, property rights, including monetary rights, are disappearing,’* underscoring broader concerns about the implications of programmable CBDCs on fundamental property rights and financial autonomy.

It is worth noting that of the 8 respondents living outside Romania who participated in the research, all of them expressed the view that they identified threats to their freedoms from CBDCs, answering this question with ‘Yes’ (3), ‘Of course’ (1), ‘No doubt’ (1) or ‘Maybe’ (3).

**Question 11:** *Do you think that CBDC, a centrally controlled digital currency, might mean the end of financial freedom?*

Responses to the question on perceptions of the potential ramifications of central bank digital currency (CBDC) on financial freedom, particularly in the context of centralised control of CBDC, revealed the following results:



**Figure 11.** *Answers to Question 11: Could CBDC, a centrally controlled digital currency, mean the end of financial freedom?*

Of the survey participants, one respondent indicated unequivocal agreement (‘Bingo!’) strongly arguing that implementation of the CBDC could mean an end to financial freedom. In contrast, a considerable proportion (33%) expressed ambivalence (‘Maybe’), reflecting uncertainty or acknowledging nuanced considerations on the issue. A smaller contingent offered a divergent view (‘No’), with twenty-eight respondents expressing disagreement with the idea that implementing the CBDC would mean ending financial freedoms. In contrast, a majority of 38% said it was possible (‘Yes’) that the introduction of CBDCs could undermine financial freedom, suggesting concerns about the centralised control inherent in these digital currency systems and its potential

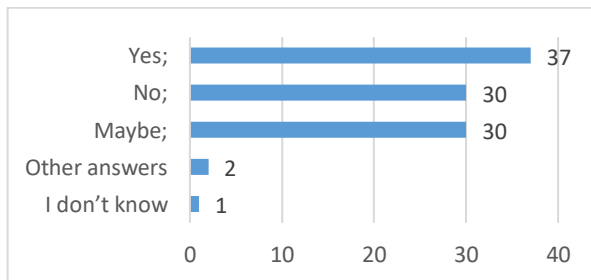
impact on individual financial autonomy.

This diversity of responses highlights the complexity and multidimensionality of views on the intersection between CBDCs and financial freedom. This highlights the need for more nuanced exploration and analysis to understand the factors underlying attitudes towards the potential implications of CBDC adoption on financial freedoms.

**Question 12:** *Do you think Cryptocurrency (a decentralised tool of people) is an unwanted competitor for the world governments?*

The responses to this question (Figure 12) show that of the 100 respondents, 37 see cryptocurrencies as a challenge to government authority, advocating decentralisation of power and financial solutions. In contrast, 30% of respondents do not see cryptocurrencies as an unwelcome competitor to world governments. This group may perceive cryptocurrencies differently, seeing them as complementary to existing systems rather than a direct competitor. The same 30% of respondents were in favour of the possibility ('Maybe') that decentralised cryptocurrencies pose a threat to world governments. Their uncertainty may stem from a variety of factors, including insufficient knowledge about the implications of cryptocurrencies or conflicting opinions about their potential impact. Three additional perspectives emerged from the study on this question. One respondent characterized cryptocurrency as similar to a Ponzi scheme. Another respondent highlighted the importance of cryptocurrency for development, particularly in terms of its role in paving the way for central bank digital currencies (CBDCs) and advancing blockchain technology, believing that all current users are developing the blockchain system for free instead of banks spending trillions of dollars on research and development. In addition, one respondent expressed ignorance and refrained from providing a definitive answer.

These responses reflect a range of perspectives on the relationship between cryptocurrencies and government authority. Most respondents see cryptocurrency as a challenge to centralised power structures, while others do not perceive it as a significant threat. There is, however, a notable share of respondents who see a possible impact of cryptocurrencies on government authority.

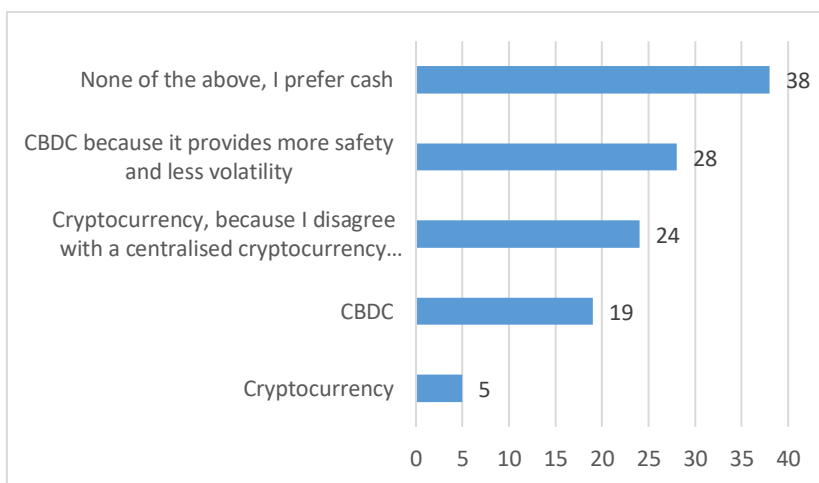


**Figure 12.** *Answers to question 12: Is cryptocurrency (a decentralised tool of the people) an unwanted competitor for the governments of the world?*

Overall, the responses from different areas of expertise highlight the multidimensional nature of the debate on the relationship of cryptocurrencies to government authority. Respondents from the financial services fieldIt appears that opinions vary significantly by individuals' professional background, suggesting that perspectives on this issue are shaped by factors such as industry norms, regulatory considerations, and technological understanding.

**Question 13:** *Cryptocurrency or CBDC as an alternative to cash?*

The survey responses to the respondents preferred alternative to cash (Figure 13) show a variety of opinions, with the overall balance weighing in favour of digital currencies issued by central banks (CBDCs):



**Figure 13.** *Answers to question 13: Cryptocurrency or CBDC as an alternative to cash?*

A substantial proportion of respondents, 47%, express a preference for CBDC. Of these, 28% cite perceived advantages of CBDCs, such as increased safety and reduced volatility compared to cryptocurrencies. This preference aligns with the emphasis on stability and regulatory oversight in monetary systems, suggesting a recognition of the importance of strong governance frameworks in ensuring the integrity of digital currencies. Interestingly, a notable subset of respondents, representing 29%, support cryptocurrencies as a replacement for cash due to concerns about the potential for centralisation of CBDCs. Within this subgroup, 24% perceive centralized cryptocurrency (CBDCs) as a threat to decentralization and individual autonomy, fearing a transfer of power from people to world governments. This sentiment resonates with advocacy for inclusive economic institutions that empower citizens and distribute power more equitably. Of note, of the 100 respondents surveyed, 38% express a clear preference for traditional cash over cryptocurrencies and CBDCs. This preference suggests a desire for familiarity and trust in existing monetary

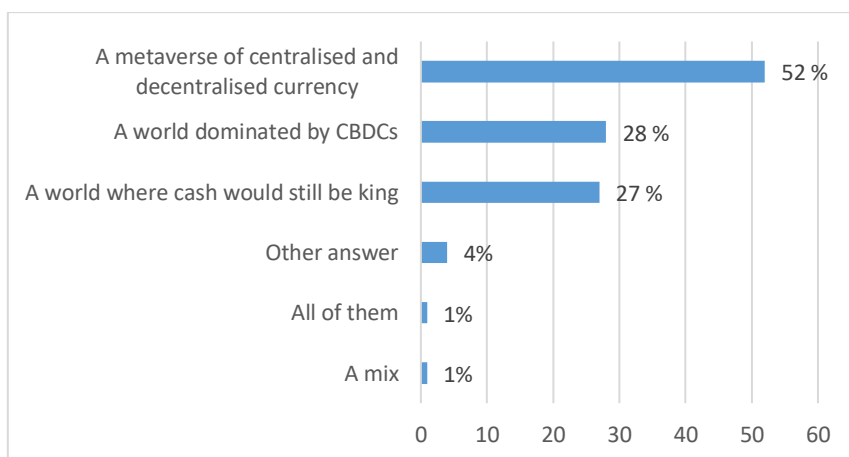
systems. It may indicate a cautious approach to innovation in monetary policy, highlighting the importance of stability and public confidence in the financial system.

Overall, the results reveal a nuanced landscape of preferences and concerns about the future of monetary systems. While some respondents advocate technological innovations such as CBDCs, others remain cautious, stressing the need to balance innovation with stability and inclusiveness in monetary policy. This nuanced perspective is critical for policymakers as they navigate the complex terrain of digital finance and strive to design effective regulatory frameworks that promote financial stability, inclusion and trust.

**Question 14:** *Taking into account that COVID-19 accelerated the shift of both public and private sectors to digital payments and digital finance, how do you see the future of money in ten years? (multiple choice)*

According to the 98 people who agreed to answer this question, the future of money is subject to a multifaceted dynamic, influenced by both technological advances and socio-political considerations (Figure 14).

A significant majority, representing 52% of respondents, imagine a future in which both centralised and decentralised currencies coexist in a virtual realm. This view reflects a recognition of the evolving landscape of digital finance and the emergence of innovative forms of currency. Of the 100 respondents, 28% foresee a future dominated by CBDCs. This outlook underscores the growing influence of central banks in shaping the digital financial ecosystem, with CBDCs poised to play a central role in facilitating transactions and monetary policy. Despite the trend towards digitalisation accelerated by COVID-19, 27% of respondents anticipate that cash will remain a significant component of the monetary landscape over the next decade. Recognition that cash will continue to be a significant component of the monetary landscape suggests an understanding of its enduring relevance and usefulness.



**Figure 14.** *Answers to Question 14: the future of money in ten years' time?*

One respondent emphasises a mixed future, indicating the complexity of the evolving monetary system. This perspective recognises the likelihood of a variety of monetary instruments co-existing in the future. Several respondents offer nuanced reflections on the interplay between technology, governance and social values. One respondent, for example, expresses scepticism about the potential for the adoption of a fully decentralised currency, citing the persistence of bureaucratic and financial interests. Another respondent highlights the role of COVID-19 in accelerating the adoption of technologies in various spheres of life, including finance. This perspective highlights the transformative impact of the pandemic on digitisation trends.

In sum, these responses reflect a rich range of perspectives on the future of money, shaped by technological innovation, regulatory dynamics and social values. Both economic and legal practitioners may find these insights valuable in navigating the complex legal and regulatory challenges inherent in the evolving digital financial landscape.

## **5. Conclusions**

The survey results show that the majority of respondents believe that criminal organisations would adapt to limiting cash by using offshore banking, cryptocurrencies or other digital methods, suggesting that limiting cash may not fully deter money laundering. Legal and policy professionals have different views, with some believing that cash restriction could bring potential benefits, while others remain sceptical because of the adaptability of criminals. There is uncertainty about the effectiveness of traceable currencies in deterring tax evasion, with 41% of respondents expressing doubts. Scepticism about the ability of traceable currencies to deter tax evasion (34%) highlights the complexity of tackling financial crime through technology alone. However, legal and policy professionals express confidence in the potential of traceable currencies to deter tax evasion. Concerns about theft associated with large amounts of cash are prevalent among respondents, highlighting the multifaceted considerations influencing the use of cash. Overall, there is uncertainty about the effectiveness of central bank digital currencies (CBDCs) in reducing money laundering, with age-based analysis revealing nuanced perspectives. Despite some scepticism, a substantial proportion of respondents prefer CBDCs, citing perceived advantages such as increased security and reduced volatility compared to cryptocurrencies.

The recognition that both centralised and decentralised currencies will co-exist within a virtual realm highlights the importance of embracing innovation and adapting regulatory frameworks to accommodate digital currencies and emerging financial technologies. Policymakers need to consider the implications of the coexistence of centralised and decentralised currencies for regulatory frameworks governing digital finance. Policymakers may need to strike a balance between encouraging innovation and providing regulatory oversight to mitigate

the risks associated with decentralised currencies, such as potential vulnerabilities to fraud, market manipulation and illicit activities. This recognition is crucial for policy-makers as it underlines the need to maintain support for cash infrastructure and accessibility, especially in contexts where digital payment methods may not be widely adopted or accessible. Anticipating the continued importance of cash highlights its resilience as a form of payment. This resilience may stem from factors such as trust, familiarity and the ability to ensure financial privacy and anonymity, which are valued by certain individuals and communities. Policy-makers need to consider the implications of cash persistence for financial inclusion and affordability. While digital payment methods offer convenience and efficiency, policymakers need to ensure that initiatives to promote digital financial inclusion does not inadvertently exclude individuals or communities that rely on cash. This may involve implementing policies that safeguard the availability and acceptance of cash, particularly in rural or underserved areas where digital infrastructure may be lacking. Recognising the enduring value of cash also highlights the importance of balancing innovation in digital payment technologies with maintaining stability and inclusiveness in the monetary system. Policymakers must navigate the tension between promoting digital financial innovation and maintaining the resilience and accessibility of traditional payment methods.

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