

GLOBAL MARKETS FORUM

Join the conversation exclusively on
Refinitiv Messenger

@ReutersGMF #RefinitivMessenger



Q&A- Cryptocurrencies' criminal perception likely to fade as forensic abilities increase: Laura Shin, author, *The Cryptopians*



The common assumption that cryptocurrencies are tied to crime will fade as adoption increases and blockchain forensics are able to catch more illicit activity, **Laura Shin** told the Reuters Global Markets Forum on Monday, March 28 during a discussion of her book *The Cryptopians: Idealism, Greed, Lies, and the Making of the First Big Cryptocurrency Craze*.

"Illicit activity accounts for 0.15% of all crypto transactions. In the traditional financial world, it's more like 2% to 5% -- orders of magnitude different," said Shin, citing Chainalysis data.

She added that while early rumbles in the crypto space were that enterprise blockchains would be a significant development, this has not yet panned out, while the explosion of crypto-adjacent applications are bringing more diverse investors into the space.

Following are edited excerpts from the conversation:

Q: Could you tell us some of the biggest changes you've seen in the crypto industry over the time you've been covering it?

A: I started covering crypto in May 2015, and definitely the biggest change is that people have actually started to care about it. When I first started covering what was then known as bitcoin or blockchain, I practically had to beg my editors to cover it -- at least on a very regular basis -- and it was not something that was discussed at the highest levels of government like it is today. Now for there to be an executive order and for crypto to be the subject of regular Congressional hearings and also covered frequently in the media is a massive change.

Some other big changes since I started covering crypto are simply the plethora of new chains and new applications. Now the space has a lot of activity in everything from non-fungible tokens (NFTs) to bitcoin to decentralized finance (DeFi) to decentralized autonomous organizations (DAOs) to stablecoins to the metaverse. There's such diversity in the innovation.

One thing that is interesting is that when I first started many of my sources thought enterprise blockchains would be big, but that has not turned out to be the case -- at least not yet. That was a common refrain I would hear in the 2015 era: "blockchain, not bitcoin." Every once in a while, I will come across someone who still says that, but I have a feeling they are not someone who pays close attention to the space, because there is much less news in that area than in the decentralized blockchains and "crypto" parts of the sector.

Probably a more recent change is how NFTs have brought in so many "normies" in a short span of time. The types of people that are interested in crypto are diversifying. Also, both NFTs and DAOs are bringing in more women, which is new since the space has been extremely male-dominated, and still is, but at least a smidgen less than before.

I would also say now people sometimes only know the part of crypto they're interested in -- let's say, NFTs, but not be familiar with something like DeFi or bitcoin at all. In the past, the space was so much smaller, it felt like everyone kept up on almost all the news.

One change I think we'll see more of in the future is a shift away from the perception that crypto is associated with crime. In Chainalysis's 2021 [report](#) on crypto crime, they said illicit activity accounts for 0.15% of all crypto transactions. In the traditional financial world, it's more like 2% to 5% -- orders of magnitude different. I hope these facts get out, because the public perception for a long time has been that crypto is just -- or at least mostly -- for criminals.

Additionally, for my book, my sources and I figured out who was behind an almost six-year-old [hack](#) -- blockchain forensics caught up to this person, as I imagine will happen much more frequently in the future.

Q: Do you think the regulation is keeping up with the developments in the space?

A: Yes and no. The regulators are aware and know what big subjects to pay attention to.

But it's inherently something that happens after the fact -- I know the industry would like to see lawmakers be more proactive, and who knows -- they may finally get their wish. Watch U.S. Senator Cynthia Lummis and U.S. Senator Kirsten Gillibrand.

About the Global Markets Forum

Moderated by experienced Reuters journalists, the Global Markets Forum (GMF) is an exclusive editorial community for financial market professionals [available for free on Refinitiv Messenger](#). The world's first macro, cross-asset class, cross-regional community, the forum surfaces the most critical market topics, the widest range of views, and hosts the most influential guest voices, in real-time. Hear peer opinion, take market temperature, and discover new connections: The GMF offers content, conversation, and networking all in one place.

Check out the up to date topics, events & LiveChat with our weekly featured guests: [GMF Week Ahead](#)

 [@ReutersGMF](#) Follow us on Twitter

Don't have access? Visit refinitiv.com/gmf