



FROM MOSCOW-CITY WITH CRYPTO:

**A Step-by-step Guide to Receiving Cash from Russia
Anonymously in London**

Transparency International Russia counted more than 20 crypto exchanges that operate in the Moscow International Business Center (MIBC), also known as Moscow-City. Some of them can transfer money abroad, especially to the UK, without the necessity to reveal the client's identity.

Moscow-City & the Stablecoins	3
Crypto-to-cash transfer in the UK	4
Overview of the UK cryptocurrency legislation	9
Assessment of the sums transferred via crypto wallets	11
Stablecoin as a potential threat of money laundering	15
Appendix 1	16

MOSCOW-CITY & THE STABLECOINS

Moscow International Business Center, or Moscow-City, is one of the [most prestigious business centres in Moscow](#). It consists of [15 glass skyscrapers](#), some of which are among the highest buildings in Europe.

However, Moscow-City is not only a business centre. Here you can buy posh apartments with panoramic views and settle down. And in a nearby shopping centre, Afimoll City, one can find almost every kind of goods and services. So practically, Moscow-City is like an autonomous city inside Moscow. And nowadays it has also become possible to transfer money out of Russia with the help of crypto exchanges located in Moscow-City.

The demand for such service may be pretty high, as with no possibility of using Russian-issued bank cards abroad, citizens of Russia need a way to safely transfer their money to other countries and get cash there. Another significant advantage of buying cryptocurrency is that nobody is interested in the source of the buyer's income. Finally, one [must declare](#) sums exceeding the equivalent of USD 10,000 in cash before boarding the plane, but a sums in crypto are easily transferred abroad.

As crypto exchanges usually work with various cryptocurrencies, our primary goal was to understand how many of them accept cash, exchange stablecoins, and offer the possibility to sell stablecoins back for cash abroad. In particular, we looked for the possibility of getting cash in London in exchange for USDT stablecoin.

The price of the most known cryptocurrency, Bitcoin, can fluctuate greatly and is influenced by the supply-demand ratio, investor expectations, government regulations, and media hype. In contrast to Bitcoin, stablecoin is a digital asset whose value is pegged to the value of USD and kept steady to minimise fluctuations. The price of USDT stays quite the same and approximately equals USD 1.

USDT is the most common stablecoin at present. It was launched in [2014](#) and is managed by [Tether Operations Limited](#). Its share is estimated to be [48%](#) of the total stablecoin supply.

By virtue of these qualities, USDT is a safe haven for those who want anonymity in transferring their money abroad from Russia and do not want to take any risks related to the exchange rate fluctuations connected with BTC and altcoins.

In order to establish the location of crypto exchanges, Transparency International Russia searched for their advertisements on specialised bitcoin forums and browsed via Google Maps. Eventually, we found 21 crypto exchanges that stated their location in Moscow-City.

After the examination of the aforementioned crypto exchanges' websites, we established that 14 out of 21 are over-the-counter (OTC) brokers willing to accept rubles in cash and exchange it for USDT. Then after a series of talks with crypto exchanges, we found out that 8 out of 21 crypto exchanges were ready to exchange USDT for pounds sterling (GBP) in cash in London. Detailed information on these crypto exchanges is provided in Appendix 1.

CRYPTO-TO-CASH TRANSFER IN THE UK

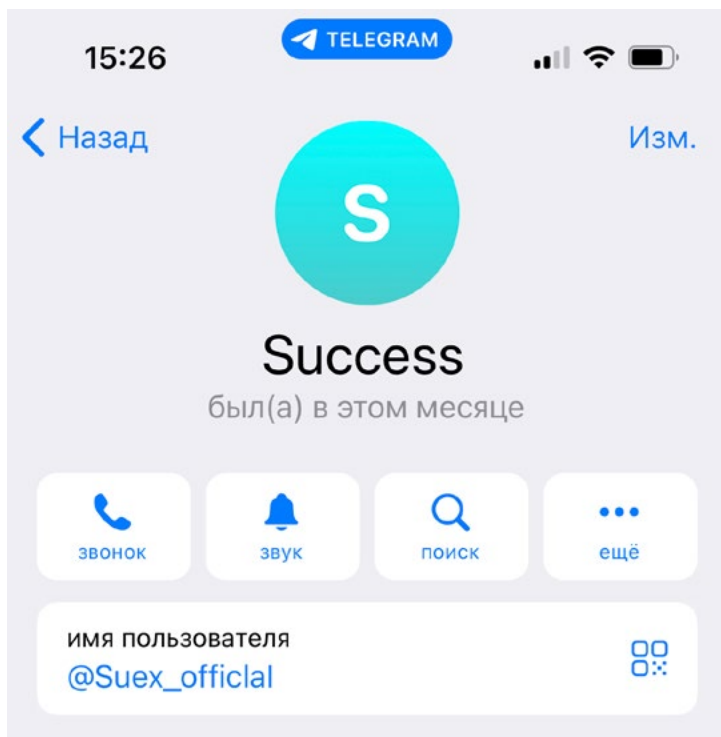
The most common way to communicate with a crypto exchange is a Telegram chat or a live chat on its website. The availability of a transfer to the UK is usually not advertised, so a potential client should ask.

Eight crypto exchanges that agreed to transfer funds to the UK were:

- > [Pridechange](#),
- > [Alfa.exchange](#),
- > [Mychange](#),
- > Suex,
- > [Bitokk](#),
- > [Finex24](#),
- > [24ExPay](#),
- > [Trust-exchange](#).¹

There is always a risk of fraud when you are having business with OTC exchanges, as usually their websites do not contain any registration information about the legal entity you are dealing with. We were not 100% sure that these crypto exchanges could be trusted. However, all of them stated that they have an office in the Moscow International Business Center (Moscow-City), and the majority of them had positive customer references on specialised crypto monitoring websites.

¹ It is worth mentioning that the Suex exchange was [sanctioned](#) by OFAC on September 21, 2021 for its part in facilitating financial transactions for ransomware actors. Nowadays its [website](#) is not functioning, however, a Telegram chat operator agreed to exchange USDT 15,000 for GBP and give it back in cash in London.



Success was the Telegram chat for the Suex crypto exchange

— Hello, I have USDT and want to withdraw money in London and get cash in GBP. Any options?
 — Hello. What's your amount
 — 15000
 — Please wait, will tell you what can be offered
 — Ok, waiting
 — Courier delivery upon full advance payment. The exchange rate is 1,5%, your extra charge, cross-rate according to <https://www.xe.com/> The delivery is within 5-hour time period

Transparency International Russia conducted a series of undercover interviews with the crypto exchanges asking the same set of questions to understand the mechanism of transferring funds. We acted as a client wishing to receive a lump sum in GBP in London. As a result of these communications, we can conclude that the process looks very similar from one crypto exchange to another and is divided into several stages shown below.

First of all, you will never be offered to perform an exchange in an office due to security reasons, as these shadow OTC brokers do not want to reveal their location to strangers. (Crypto exchanges covered by the UK anti-money laundering regulations must [register](#) with the Financial Conduct Authority (FCA) before operating, and as part of this application process can be required to provide the details of a registered [office address](#).)



In the Telegram chat, the operator will tell you to make an advance USDT payment to the given crypto wallet address, and after your payment is confirmed and the crypto exchange receives your money, it schedules a courier delivery to a specified location. The cash can usually be delivered to you the same day or the day after.

Whereas some crypto exchanges will give you freedom of choice while selecting a meeting point, others will tell you to be at a specific place at the exact time, and this place will not necessarily be in Central London. One of the couriers suggested a meeting near the fitness centre in the Norbury area of South London.

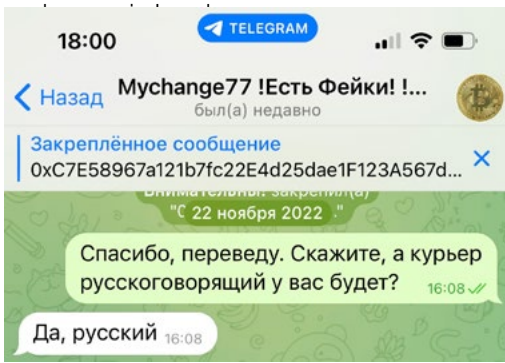
The fee usually varies from 1% to 3% of the exchanged amount of USDT.

— When will you be able to arrive here?

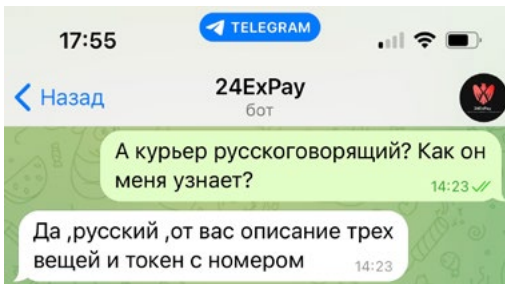


— Hello, 11050 London
 — Could you give the address where to deliver? I will tell you when I can be there.
 — Hello, correct. Would it be possible for you to meet in the evening at 9 p.m.? I will give you the address now
 — Yes, I'm delivering cash until 22:00
 — Do you need anything from me for my identification?
 — No. All communication is here. I will write to you when I get to the place. I have a comfortable car. Or we can meet in a cafe. As you wish.

Interestingly, almost every crypto exchange ready to perform the transaction said their London couriers were Russian-speaking. This may indirectly indicate that people from Russia and ex-USSR countries could be involved in facilitating shadow OTC crypto



— Thank you, I'll transfer. Tell me, will the courier be Russian-speaking?
 — Yes, he is Russian



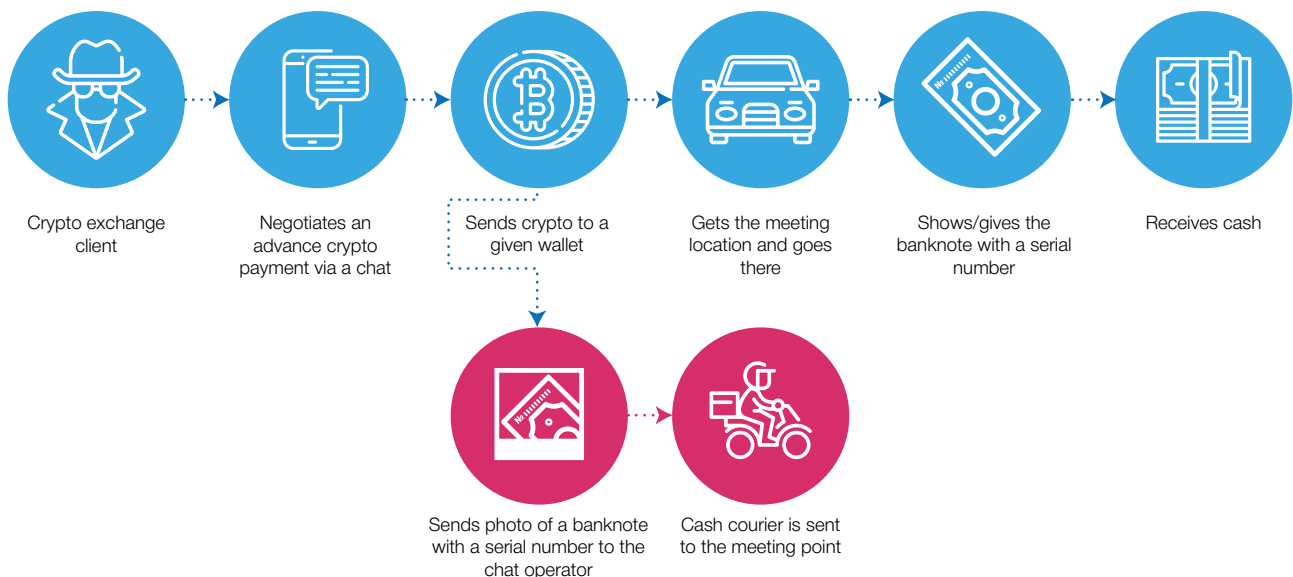
— Is the courier Russian-speaking? How will he identify me?
 — Yes, he is Russian. You need to describe three pieces of clothing and provide a token number.

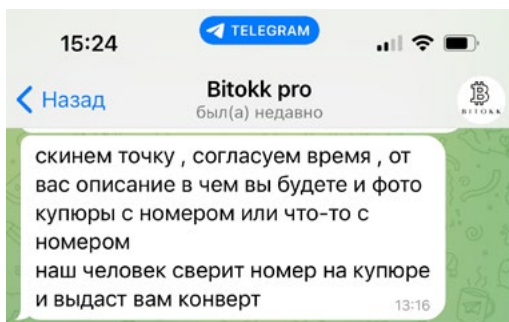
The amount of money that Transparency International Russia negotiated for a change exceeded GBP 10,000. Usually, we asked for an exchange of sums between USDT 13,000 and USDT 17,000.

According to the UK's anti-money laundering rules, crypto exchanges and [high value dealers](#) trading in substantial amounts of cash have to be registered with an AML supervisor. They must also carry out customer due diligence checks, particularly where there are [high value money transfers](#) or suspicions of money laundering. Those failing to register or carry out their obligations face the prospect of fines and even criminal prosecution.

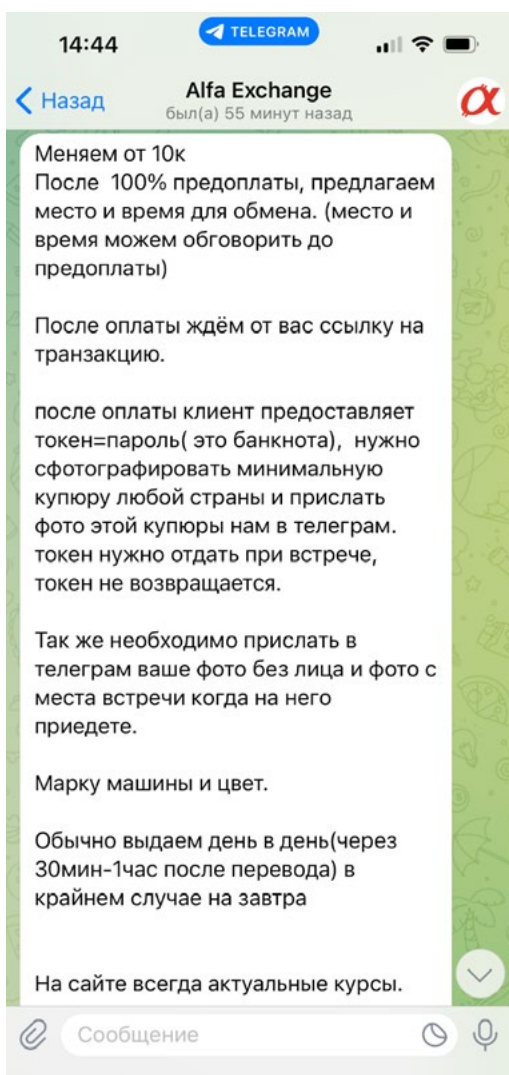
In reality, in the process of communication no crypto exchange ever asked for passport identification or in any other way demanded to check our identity.

The only thing you need to provide to a crypto exchange in a Telegram chat is a photo of any banknote with a serial number. This serial number will be used as a token, and the banknote must be shown to a courier when receiving cash. Some of the exchanges may also ask for a description of your outfit.





— We will send you the meeting point, negotiate the time, you need to provide a description of your outfit and a photo of a banknote with a number, or something with a number. Our man will check this number and give you the envelope with the money



— We are changing from 10 thousand

After a 100% advance payment, we suggest the time and place of the meeting. (Time and location could be negotiated before the payment.)

After the payment, we will wait for the transaction link.

After the payment, the client provides a password token (which is a banknote), you need to take a photo of the smallest denomination bill of any country and send the photo to us via Telegram; the token should be given to the courier, the token is not returned.

Also, you need to send in Telegram your photo without the face and a photo from the meeting place when you arrive.

Car make and colour.

Usually, we deliver money the same day (30 min–1 hour after the transfer) or the next day

You can always see the actual exchange rates on our website.

After a series of undercover interviews, it became clear that at least a few shadow OTC crypto exchanges operate in the UK and are ready to provide with cash without performing necessary KYC procedures, which contradicts current UK legislation.

The present situation can be ideal for representatives of organised crime structures and so-called [money mules](#), i.e. people used by criminals, knowingly or unknowingly, as part of a money laundering scheme to transfer illegal money into the legitimate financial system, such as in the UK. Therefore illegally obtained money could be transferred to stablecoin in Russia and converted into cash in the UK.

When we contacted the crypto exchanges for comments on our findings, 24ExPay responded that they had never had partners or offices in the UK, that they had not received instructions from clients to exchange funds in the UK, and had never processed requests from the UK. Bitokk stated that it strictly adhered to anti-money laundering procedures

in accordance to recommendations from FATF when making transactions with clients in Russia and that its business in Russia was built on the principle of legality and the respect for private property, and that it would be happy to review the findings of our research in more detail. Finex24 stated they had never had a partner in the UK, nor had they ever exchanged crypto for GBP, that their company was registered with an official cryptocurrency licence in Lithuania and employed an AML officer.

Alfa.exchange, Pridechange, Trust-exchange, Mychange, and Suex did not respond to our requests for comment.

OVERVIEW OF THE UK CRYPTOCURRENCY LEGISLATION

Cryptocurrencies are regulated in the UK for the purposes of anti-money laundering (AML). According to [UK legislation](#), the Financial Conduct Authority (FCA) supervises crypto asset firms only for AML purposes but not for wider issues. Those not supervised by the FCA as a crypto business but dealing in large amounts of cash must [register with HMRC](#) for AML purposes.

Crypto businesses have been subject to AML regulations since [January 10, 2020](#), when they became a regulated entity under the [Money Laundering Regulations](#) (the MLR's).¹

[Among businesses](#) covered by the registration requirement are **crypto asset exchange providers**, such as firms which exchange, or arrange or make arrangements with a view to the exchange of, cryptoassets for money or money for cryptoassets or one cryptoasset for another, or operate a crypto ATM.

UK compliance specialists point out that in accordance with with these regulations, as a regulated entity any crypto asset company [must](#):

- > Carry out a money laundering risk assessment considering its services, products & customer base
- > Document an AML policy that outlines internal AML procedures
- > Ensure all staff has undergone AML training and retain an annual record for auditing purposes
- > Adopt a risk-based KYC procedure and apply the appropriate level of customer due diligence when needed
- > Adopt measures, when needed, to understand the ownership and control structure of trusts and companies, as well as check trust and company beneficial ownership registers, before establishing a business relationship, and to report any discrepancies found to Companies House.

From January 2020 until [March 31, 2022](#), there was a transition period when a [Temporary Registration Regime](#) (TRR) existed that allowed companies created before January 2020 to continue working. In March 2022, TRR [was extended](#) for select crypto firms. Eventually, TRR [ceased to exist](#) in September 2022 when Revolut, a Crypto trading app, [obtained](#) registration from FCA.

Currently there is a [list of registered crypto asset](#) companies allowed to perform business in the UK and a list of [unregistered crypto asset firms](#) whose activity is prohibited. As of January 2023, the list of registered companies consisted of 41 legal entities, and the list of unregistered companies [doing business](#) in the UK consisted of 53 firms.

A crypto company [needs to be registered](#) with the FCA if it carries out business in the UK, which includes exchanging crypto assets into currency. The FCA recommends prospective crypto asset exchanges have several arrangements in place before applying for registration, including:

- > their business plan
- > their products and services
- > how they assess and manage risk
- > clear lines of responsibility for ensuring compliance with anti-money laundering obligations

¹ On January 10, 2020, the [Money Laundering and Terrorist Financing \(Amendment\) Regulations 2019](#) came into effect, and the crypto-asset sector became considered a 'regulated entity' and subject to AML rules and legislation.

Those helping cryptoasset providers register in the UK also [recommend](#) firms should:

- > establish a legal entity
- > maintain a registered office address
- > register for taxation
- > open a bank account

FCA [has reminded firms](#) that carrying out registrable crypto business in the UK without MLR registration can constitute a criminal offence.

ASSESSMENT OF THE SUMS TRANSFERRED VIA CRYPTO WALLETS

When we were interviewing crypto exchanges, one of our goals was to get the address of a crypto wallet. If we were lucky, we would get a wallet with a long history of operations.

Cryptocurrency trading uses blockchain technology. A [big advantage](#) of this technology is that every transaction is recorded and stored in a [decentralised ledger](#). It is impossible to manipulate, modify, or delete any information once the transaction is made. So for a specific crypto wallet address, the data related to its transactions is available and it is possible to assess the number of operations it performs and the sums of money it moves.

As all crypto-exchanges require advance payment, it is not hard to get the address of the wallet from the chat operator. However, the operator often specifically creates a new crypto wallet for a transaction to conceal other operations.

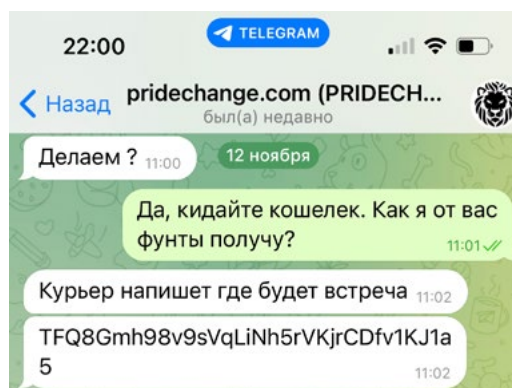
Three of the eight crypto exchanges ready to perform a transfer to the UK gave us crypto wallets which were created long enough ago that it was possible to assess their monthly trading volume. These were [Pridechange](#), [Afa.exchange](#) and [24ExPay](#).

We should note that Transparency International Russia could assess only USDT crypto wallets in [TRON](#) (TRX) blockchain-based operating system, as USDT wallets we received in [Ethereum](#) (ERC) had zero or close to zero balances. Possibly they are in less demand among clients.

After analysing the three crypto wallets mentioned above from the date of their creation till December 14, 2022, we established that the average monthly amount of money passing through one stablecoin crypto wallet address ranged from USD 420,000 to USD 470,000.

Also, we should note that we only assessed the turnover of the USDT and omitted [USDC](#), another popular stablecoin. We deliberately avoided asking chat operators too many questions, so as not to raise unnecessary suspicion. But we believe that the monthly turnover of each crypto exchange is likely substantially bigger than our estimates, which do not consider turnover of USDC.

Pridechange crypto wallet



- Are we doing a transfer?
- Yes, please send the wallet address. How will I get GBP from you?
- The courier will write to you of where the meeting will take place.

The wallet [TFQ8Gmh98v9sVqLiNh5rVKjrCDfv1KJ1a5](#) that belongs to the crypto exchange Pridechange was created on April 15, 2022. As of December 14, 2022, it was active. From April 15, 2022 to December 14, 2022 its inflow of funds comprised 689 transactions that amounted to USDT 3,387,299.54 and came from 167 unique crypto wallets.

However, 68% of all remittances (USDT 2,298,321.4) came from only two crypto wallets: TNaRAoLUyYEV2uF7GUrzSjRQTU8v5ZJ5VR and TEPSrSYPSQ7yXpMFPq91Fb1QEWpMkRGfn, which made 40 and 123 transactions respectively.

From April 15, 2022 to December 14, 2022, this Pridechange crypto wallet had 1249 outgoing transactions which amounted to USDT 3,384,620.89 and went to 688 unique crypto wallets. Eight crypto wallets received a total of USDT 1,877,394.82 (55%) of all outgoing payments.

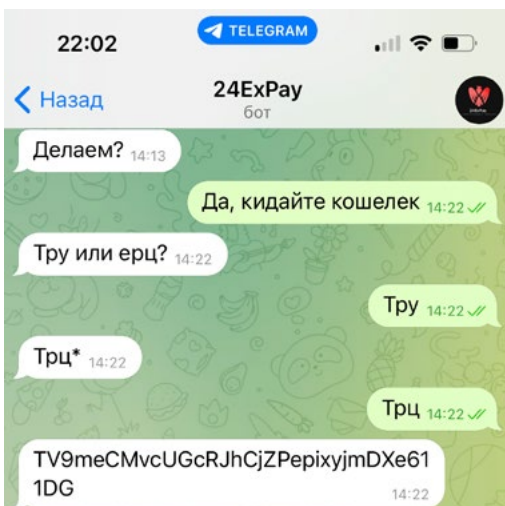
According to the blockchain analytics software Elliptic, approximately 21% of outflow payments made from Pridechange USDT crypto wallet went to the wallets associated with the [OFAC sanctioned](#) virtual currency exchange Garantex Europe OU (aka Garantex), which is [also located](#) in Moscow-City.

Pridechange



We can estimate the monthly trading volume of Pridechange at approximately USDT 420,000.

24ExPay crypto wallet



- Are we doing a transfer?
- Yes, please send the wallet address.
- TRC or ERC?
- TRC

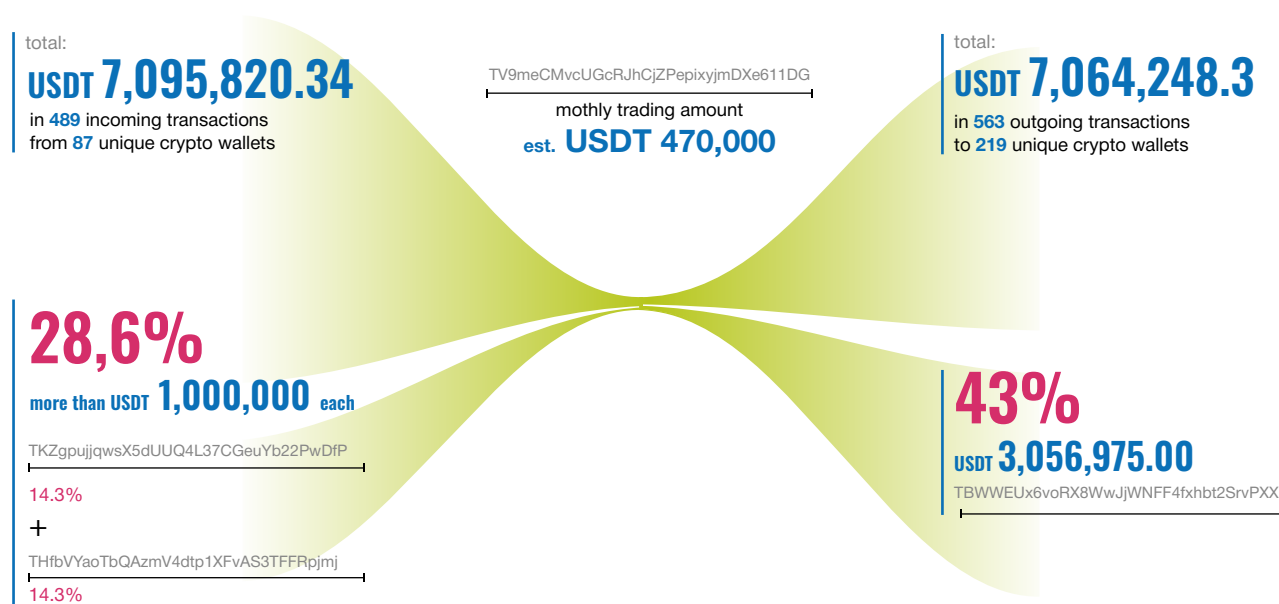
The wallet [TV9meCMvcUGcRjHcJzPepixymDXe611DG](#) that belongs to the crypto exchange 24ExPay was created on September 10, 2021. As of December 14, 2022, it was active. From September 10, 2021 to December 14, 2022 its inflow of funds consisted of 489 transactions that amounted to USD 7,095,820.34 and came from 87 unique crypto wallets.

It has two crypto wallets that transferred more than USD 1,000,000 each: TKZgpujjqwsX5dUUQ4L37CGeuYb22PwDfP and THfbVYaoTbQAzmV4dtp1XFvAS3TFFRpmj.

During the same period of time, the 24ExPay crypto wallet had 563 outgoing transactions that amounted to 7,064,248.33 USD and went to 219 unique crypto wallets.

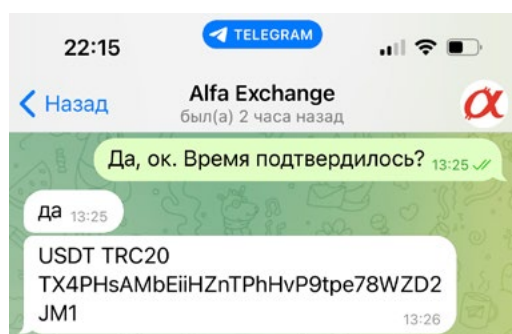
However, one crypto wallet TBWWEUx6voRX8WwJjWNFF4fxhbt2SrvPXX received USD 3,056,975.00 (43%) of all outgoing payments.

24ExPay



We can estimate the monthly trading volume of 24ExPay at approximately USD 470,000.

Alfa.exchange



— Yes, ok. Have you confirmed the time?

— Yes

The wallet [TX4PHsAMbEiiHZnTPhHvP9tpe78WZD2JM1](#) that belongs to the crypto exchange Alfa.exchange was

created on October 7, 2022. As of December 14, 2022, it was active. From October 7, 2022 to December 14, 2022 its inflow of funds comprised 103 transactions that amounted to USDT 942,411.97 and came from 42 unique crypto wallets.

During the same period of time, the Alfa.exchange crypto wallet had 42 outgoing transactions that amounted to USDT 880,700.39 and went to 13 individual crypto wallets.

However, one crypto wallet TKxXh5RFbeH2si4q1nik1xuRcTjSYuyR5r received USDT 801,196.5 (90,9% of all outgoing payments).

Alfa.exchange



We can estimate the monthly trading volume of Alfa.exchange at approximately USDT 440,000.

STABLECOIN AS A POTENTIAL THREAT OF MONEY LAUNDERING

Our research shows there are crypto exchanges that are not registered in the UK for regulatory purposes and are transferring money from Russia to the UK with no identifiable checks on customers or their source of funds. This presents a significant money laundering risk.

At least eight crypto exchanges in Moscow-City were ready to perform such transactions.

As we showed, the average monthly turnover of one stablecoin crypto exchange wallet amounted to USD 420,000–470,000, and each crypto exchange uses more than one such crypto wallet in its day-to-day activity. When we discussed the transfer of funds during undercover interviews, we talked about sums exceeding USD 15,000, and it was not a problem for a crypto exchange to provide this money in cash in the UK the same day. Based on the evidence available, substantial amounts of funds may be flowing to the UK every month with few, if any, anti-money laundering checks.

As for Russia, AML legislation is regulated by the so-called [115-FZ](#). This law equals cryptocurrencies to property. However, it does not cover crypto exchanges as is. Moreover, the special Law on Digital Assets ([259-FZ](#)) in Article 14 declares that cryptocurrencies exchange shall be regulated by a special law, which does not exist. For example, banks are obliged to control trade with cryptocurrencies with the same regime as general assets deals. By Russian law, all transactions exceeding USD 8 000 are subject to obligatory AML control, while smaller ones may be controlled on intermediary's discretion. Meanwhile, if a person buys crypto for cash in one of Moscow exchanges, they are not covered by AML legislation in any way.

As for the UK, crypto exchanges are obliged to perform KYC analysis of their clients and perform exchange operations in the office. However, our research shows that at least not all of them do so, and the lack of necessary control procedures is present.

We think this situation exists due to a high number of unregistered crypto exchanges still operating in the UK.

Our research raises serious questions about the extent to which money transfers from Russia to the UK and other countries are subject to robust AML measures. The fact that customers can send cash anonymously from one country with so little scrutiny leaves the financial system open to exploitation by criminals and corrupt officials looking to launder their ill-gotten gains. Although the scale of this activity is still unknown, it is not insubstantial and deserves closer scrutiny and policing as an emerging area of risk.

APPENDIX 1

Crypto exchanges located at the Moscow International Business Center (Moscow-City) ready to transfer USDT to UK

Exchange name	Email	Telegram Chat	Source of info about Moscow-City location
Trust-exchange	support@trust-exchange.org	https://t.me/t_change	Forum.bits.media
Bitokk	info@bitokk.biz	https://t.me/bitokk_pro	Forum.bits.media
Alfa.exchange	info@alfa.exchange	https://t.me/alfa_exchange	Forum.bits.media
Finex24	support@finex24.io	https://t.me/finex24support	Forum.bits.media
Mychange	No data	https://t.me/Mychange77	Telegram chat
(The contact with the crypto exchange was made in November 2022. As of February 2023, the website is not functioning)			
24ExPay	info@24expay.com	https://t.me/Official_24ExPayBot	https://vk.com/24expay
SUEX	No data	https://t.me/Suex_official	https://t.me/Suex_officialEx
(The contact with the crypto exchange was made in November 2022. As of February 2023, its Telegram chat is @cuex_official)			
Pridechange	admin@pridechange.com	https://t.me/pridechange	Dublikat forum