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Swiss Crypto Firms Say First Automated, AML-Compliant Bitcoin Transfer Completed



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Three Swiss crypto companies say they've successfully completed the first automated Bitcoin transaction that meets anti-money laundering (AML) standards.

Zug-based Crypto Finance AG and 21 Analytics, and Geneva's Mt Pelerin announced Friday 21 CHF worth of bitcoin (~\$23) had been sent in a live demonstration of a new transaction that automatically complied with the AML requirements set by the Financial Action Task Force (FATF) and Swiss markets regulator. The transaction took place late Thursday.

FATF holds virtual asset service providers (VASPs) to the same standards as traditional bank transfers.

Known as the Travel Rule, the FATF standard requires VASPs to exchange data that identifies both the originator and the beneficiary on any transaction over \$1,000.

Since the rule came into force last year, intermediaries have so far been forced to do this manually – but the live demonstration shows that transactions now can be sent with all the AML details automatically added.

“The transfer was fully automated using TRP, instead of manually creating PDFs and sending that for each transaction, which happened to be the case for FINMA-regulated Swiss VASPs so far,” said Lucas Betschart, CEO and founder 21 Analytics in an email.

The live demonstration – viewable here – between Crypto Finance and Mt Pelerin was powered by 21 Analytics' AI regtech, and ran over Swiss FATF travel rule system OpenVASP and the Travel Rule Protocol (TRP), another institution-focused solution led by ING Bank.

It also used the industry's data standard, the InterVASP Messaging Standard (IVMS101).