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Joint European Commission and Council of Europe TSI Project: "Development of FIU's expertise on digital finance and virtual assets"

Project Public Brief

Project title	Development of Financial Intelligence Unit's expertise focused on digital finance and virtual assets (23FR11)
Project area	France
Budget	416,667 EUR
Funding	European Commission SG REFORM (90%) and Council of Europe (10%)
Implementation	Economic Crime and Cooperation Division
Duration	24 months (31 August 2023 – 30 August 2025)

1. Background and context

The rapid development of crypto-assets and decentralised finance (DeFi) presents both opportunities for innovation and serious risks of misuse for money laundering and terrorist financing (ML/TF). Financial Intelligence Units (FIUs), as the central national bodies for receiving and analysing suspicious transaction reports, are increasingly confronted with complex cases involving crypto-assets. However, their capacities to address these risks vary significantly, and many face challenges linked to technology, regulation, and cross-border cooperation. Against this background, the European Commission and the Council of Europe launched a Technical Support Instrument (TSI) initiative in 2023 with the aim of supporting the French Financial Intelligence Unit – Tracfin (Traitement du renseignement et action contre les circuits financiers clandestins) – to strengthen its employees' capacities and knowledge in the area of crypto-assets and DeFi, therefore also allowing to enhance the quality of Tracfin's strategic and operational analysis functions.

2. The beneficiary authority

Tracfin is France's Financial Intelligence Unit, under the authority of the Ministry for the Economy and Finance. Its mandate is to combat ML/TF by collecting, analysing, and disseminating financial intelligence. Given France's dynamic crypto-asset ecosystem, Tracfin faces a growing number of suspicious transaction reports involving crypto-assets, requiring advanced expertise and specialised investigative skills. For instance, in 2024 Tracfin received 3 073 suspicious transaction reports (STRs) from crypto-asset service providers (CASPs), which is twice as many reports as in 2023, thus becoming the sixth-largest category of contributor of information to Tracfin, while they were still the fifteenth-largest contributor in 2022[1].

[1] Tracfin (2025), LCB-FT : activité des professions déclarantes - Bilan 2024, p. 19, available at www.economie.gouv.fr, accessed on 15 September 2025.

3. Identified needs and strategic priorities

Since 2018, Tracfin has invested in developing expertise on public blockchains through the creation of a specialist Cyber Unit tasked with tracing transactions linked to ransomware and other criminal activity on the deep and dark web. While this initiative laid the foundation for tackling crypto-asset misuse, the rapid expansion of the crypto sector underscored the need to go further. Tracfin's 2022 Activity Report highlighted persistent challenges and set out strategic goals to strengthen blockchain analysis tools, build staff capacity to investigate crypto-asset transactions, and raise awareness among CASPs on their ML/TF risks[2]. These priorities reflected both the operational needs of Tracfin, and the broader challenges posed by the fast-evolving DeFi ecosystem.

At the national level, the urgency of addressing these challenges was confirmed in May 2023, when the Ministerial roadmap for the "Fight against public finance fraud" called for equipping Tracfin, Directorate General of Public Finances, Directorate General of Customs and Indirect Taxes and their specialised units with advanced technological means to unmask crypto-asset holders. The roadmap also required the development of a training plan to ensure that all Tracfin agents are trained on blockchain and new technologies by 2025[3].

4. Key activities and outputs

To address the identified needs, the project began with a **diagnosis of the challenges faced by FIUs and the capacities required to tackle risks linked to crypto-assets and DeFi**. A structured methodology was developed for this purpose, combining open-source research, direct consultations with Tracfin and other European and EEA FIUs, and the use of a dedicated data-gathering and modelling framework.

As a result, the project delivered a comparative diagnosis of FIU capacities in 14 European jurisdictions, identifying common gaps and opportunities, including the need for specialised training on blockchain and DeFi analysis, improved use of OSINT tools and blockchain explorers, and enhanced capacity to process large volumes of suspicious reports. FIUs also highlighted the importance of engaging with CASPs and of developing strategies to avoid being overwhelmed by low-level fraud cases. Concerns were also raised about the required capacities and resources needed to make use of commercial blockchain analytics tools.

It also organised a series of **training activities** for Tracfin staff: introductory sessions in April 2024, intermediate capacity-building and case-based training in November 2024, and advanced hands-on sessions in January 2025. These were complemented by a **workshop** in May 2025 on the implications of the new EU AML package, the Markets in crypto-assets (MiCA) Regulation, and the revised Transfer of Funds Regulation, which was also attended by French relevant authorities, European Commission, European Banking Authority (EBA), European Anti-Money Laundering Authority (AMLA) and CASPs' representatives.

Alongside training, the project developed practical resources: a **practitioners' manual for Tracfin staff** and a **booklet** for European FIUs to raise awareness of crypto-related risks and investigative approaches. All training materials and manual were developed following close

[2] Tracfin (2022), Tracfin Activities 2022, p. 12, available at www.economie.gouv.fr, accessed on 15 September 2025.
[3] Dossier de presse Feuille de route du plan "Lutte contre toutes les fraudes aux finances publiques" (2023), p. 20-21, available at www.presse.economie.gouv.fr, accessed on 15 September 2025.

consultation and high-level engagement and inputs from Tracfin employees, which allowed to ensure that identified needs are addressed.

Peer exchanges were also central and focused on real practical issues and needs. In April 2025, FIUs from Belgium, France, and Luxembourg met in Luxembourg to share investigative practices, while in June 2025 a high-level roundtable gathered representatives from 23 FIUs, AMLA, and institutional partners, including the French National Prosecutor Office against Organised Crime (JUNALCO), in Strasbourg to consolidate lessons learned. Finally, in July 2025 an in-depth exchange was organised with the Italian FIU, in Rome, Italy.

At the same time, a comparative study was launched to explore the future developments and strategies for using blockchain analysis tools in a more effective and secure way, thus strengthening the investigative capacity of FIUs over the long term.

5. Stakeholder engagement

The project's success was underpinned by active engagement with a wide range of stakeholders. At the national level, the project benefitted from the strong cooperation with the Prudential Supervision and Resolution Authority (ACPR) and the Financial Markets Authority (AMF), given their regulatory and supervisory role over CASPs. Other authorities, such as the Directorate General of Customs and Indirect Taxes and the Ministry of Interior's Cyberspace Command, provided operational insights. The private sector was represented by the Association for the Development of Digital Assets, which shared industry perspectives.

At the European level, the FIUs of Luxembourg and Belgium played a key role, with the engagement of the network of FIUs reaching up to 25 FIUs. EU institutions and agencies—including the European Commission's DG FISMA, the EBA, the AMLA, and Europol—also actively participated. Their involvement ensured that project outputs aligned with policy and regulatory developments.

By involving such a wide range of actors, the project ensured that its training content, studies, and peer exchanges reflected operational realities, regulatory frameworks, and the evolving risk environment. The high level of engagement demonstrated the strong interest of FIUs and partners in strengthening their collective response to the challenges posed by crypto-assets and decentralised finance.

6. Key findings and lessons learnt

The diagnosis and subsequent exchanges revealed that FIUs face similar obstacles in addressing risks linked to crypto-assets and DeFi such as lack of specialised skills, dependence on commercial blockchain analysis providers, compliance needs and requirements and insufficient coordination mechanisms. A recurring lesson was the need for multi-layered responses including investing in human expertise, diversifying analytical tools, and strengthening cooperation with CASPs.

Another important finding was that FIUs benefit significantly from peer exchanges structured around practical aspects and needs, which provide insights into investigative methods and help align approaches across jurisdictions.

7. Results and impact

By the end of the project, nearly 200 Tracfin professionals benefitted from capacity-building activities for strengthened knowledge, technical skills, and investigative resources. The institution now has a structured practitioners' manual, trained focal points, and enhanced expertise across departments to handle complex cases involving crypto-assets. The project also laid the foundation for EU-level discussions on blockchain analysis tools and capacities.

Perhaps most importantly, the project reinforced European cooperation. FIUs shared typologies, case studies, and investigative practices, building a common understanding of risks and responses. The final roundtable in Strasbourg demonstrated the value of continuous dialogue and positioned FIUs to collectively address the evolving challenges posed by decentralised finance. In this way, the project not only strengthened Tracfin but also contributed to building a more coordinated European response to financial crime in the digital era.

8. Contacts

The project funded by the European Union via the Technical Support Instrument (90%) and the Council of Europe (10%) has been implemented by the Council of Europe Economic Crime and Cooperation Division (ECCD) within the Economic Crime and Corruption Department, Directorate General I Human Rights and Rule of Law of the Council of Europe in cooperation with the European Commission – SG REFORM. The national coordination for the beneficiary country was conducted by Tracfin (Traitement du renseignement et action contre les circuits financiers clandestins).

Economic Crime and Cooperation Division **EU Member States and Neighbourhood Unit** **Council of Europe** **F-67075 Strasbourg, Cedex FRANCE**	Edmond DUNGA Head of Unit Council of Europe Tel: +33 3 90 21 66 52, e-mail: edmond.dunga@coe.int Sabina SINJEREAN Programme Manager Council of Europe Tel: +33 3 88 41 24 93, e-mail: sabina.sinjerean@coe.int