



# CLOSING THE GAPS

## HOW MONTENEGRO SHOULD RESPOND TO CRYPTO CRIME IN 2026

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## NOTE

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# SUMMARY

Montenegro is shifting from a niche activity to a broader trend in cryptocurrency adoption, with estimates suggesting that about 3% of the population uses digital assets. The country is keen to attract investment through blockchain technology but faces notable risks. Criminal groups have exploited cryptocurrencies for money laundering and cross-border transfers, taking advantage of the lack of comprehensive regulations until March 2025.

Current vulnerabilities include unregistered dealers on platforms like Telegram facilitating unregulated cash-for-crypto exchanges. Although recent anti-money laundering laws now regulate virtual assets, Montenegro lacks a comprehensive law and licensed providers. Law enforcement struggles with high turnover and understaffing, a lack of recorded asset seizures and a reliance on donor-funded investigative tools, which makes the prosecution of crypto crimes difficult.

To close these gaps by 2026, Montenegro needs to enact a virtual assets law aligned with the EU's standards. Key steps include the full implementation of a national register of virtual service providers, the establishment of a government-controlled custody wallet for asset seizures and the transition from a registration system to a stricter licensing regime. Additionally, strengthening law enforcement capabilities and ensuring sustained access to blockchain analytics are crucial to enhancing intelligence-led prosecutions.

## Key points

- Montenegro operated without basic crypto legal rules until March 2025 and needs a comprehensive virtual assets law aligned with EU standards by 2026.
- Montenegro has become a darknet crypto hub linked to major international scams, with medium to high money laundering risks.
- Significant exchange happens via unregistered dealers and the government should consider transitioning from registration to a licensing regime.
- While police are trained in blockchain analysis, Montenegro seized no virtual assets due to a lack of national crypto wallets and procedures.
- Effective prosecution involves shifting from donor-funded tools to national and improving cooperation between law enforcement agencies.

# INTRODUCTION

Cryptocurrency use in Montenegro is moving from niche to noticeable. Estimates vary by source and method, but the direction is clear: in 2025, Binance put the number of users at about 17,000 (around 3% of the population),<sup>1</sup> while two years earlier, in 2023, Triple-A counted 7,239 (about 1.16%).<sup>2</sup> Chainalysis identified 549 active wallets in 2024, with activity concentrated in Podgorica and along the coast, especially Budva and Bar.<sup>3</sup> Over the past four years, residents and non-residents have spent roughly €8.5 million on crypto purchases using cards issued by local banks.<sup>4</sup>

Meanwhile, Montenegro is not immune to crypto-enabled crime. Law enforcement is currently investigating a case in which a Podgorica businessman allegedly transferred €320,000 to a six-member group that promised quick gains from crypto investments.<sup>5</sup> Much cash-for-crypto exchange occurs in a grey zone, without scrutiny, through unregistered dealers, online forums and Telegram groups.<sup>6</sup> Montenegro has also attracted individuals linked to major crypto scams, including Do Kwon and Roman Ziemian,<sup>7</sup> raising concerns that the country could become a haven for such people.

Overall, the evidence shows steady uptake and growing exposure at the on- and off-ramps, making a policy response urgent. The stakes are high as Montenegro's ambition to utilise crypto to attract investment amplifies the need for policy development. Without robust regulation and capable institutions, the risks posed by illicit financial flows – the movement of illegally earned, transferred and utilised funds across borders – are significant and multifaceted. The forthcoming national risk assessment reportedly places crypto-related money-laundering risk at medium to high, with hotspots concentrated in urban and economically active areas.<sup>8</sup>

This policy brief assesses Montenegro's response to crypto-enabled crime and sets out practical recommendations. It reviews the current regulatory framework, supervisory arrangements and capabilities across the criminal-justice chain – investigation, prosecution, trial, sentencing and

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<sup>1</sup> Nada Kovačević, Samo tri odsto crnogorskih građana koristi kriptovalute, Pobjeda, 18 May 2025, <https://www.pobjeda.me/clanak/samo-tri-odsto-crnogorskih-gradana-koristi-kriptovalute>.

<sup>2</sup> Triple-A, Cryptocurrency ownership data, August 2025, <https://www.triple-a.io/cryptocurrency-ownership-data>.

<sup>3</sup> Vijesti, DEBATA – Kriptovalute i organizovani kriminal: Novi izazovi za finansijske istrage, YouTube, 4 July 2025, [https://youtu.be/AZiUvvzLNbE?si=4-DU-sxU3Fk\\_cMg3](https://youtu.be/AZiUvvzLNbE?si=4-DU-sxU3Fk_cMg3).

<sup>4</sup> Ibid.

<sup>5</sup> Jelena Jovanović, Obećavali blago, ispraznili račun: Poslovni čovjek iz Podgorice prevaren za 320.000 eura u kripto šemi, Vijesti, 25 October 2025, <https://www.vijesti.me/vijesti/crna-hronika/780375/obecavali-blago-ispraznili-racun-poslovni-covjek-iz-podgorice-prevaren-za-320000-eura-u-kripto-semi>.

<sup>6</sup> Ivan Ivanović, Kripto dileri i Telegram mjenjačnice: Milionske transakcije prolaze ispod radara, BIRN Montenegro, 8 December 2025, <https://birn.me/istrzivanja/kripto-dileri-i-telegram-mjenjacnice-milionske-transakcije-prolaze-ispod-radara>.

<sup>7</sup> Do Kwon, the co-founder and former CEO of Terraform Labs, was arrested in Montenegro in March 2023. He was sentenced in the US in December 2025 for engaging in schemes to deceive investors and artificially inflate the value of Terraform's cryptocurrencies – U.S. Attorney's Office, Southern District of New York, Crypto-Enabled Fraudster Sentenced For Orchestrating \$40 Billion Fraud, 11 December 2025, <https://www.justice.gov/usao-sdny/pr/crypto-enabled-fraudster-sentenced-orchestrating-40-billion-fraud>. On the other hand, Montenegrin police detained Roman Ziemian in August 2024. Ziemian, cofounder of the digital currency platform FutureNet, is accused of defrauding users of approximately \$21 million. He was previously detained in Italy in 2022, placed under house arrest, but later escaped – Alexander Stefanov, Polish Citizen Detained in Montenegro for \$21 Million Crypto Fraud, Cryptodnes, 21 August 2024, <https://cryptodnes.bg/en/polish-citizen-detained-in-montenegro-for-21-million-crypto-fraud/>.

<sup>8</sup> Vijesti, DEBATA – Kriptovalute i organizovani kriminal: Novi izazovi za finansijske istrage, YouTube, 4 July 2025, [https://youtu.be/AZiUvvzLNbE?si=4-DU-sxU3Fk\\_cMg3](https://youtu.be/AZiUvvzLNbE?si=4-DU-sxU3Fk_cMg3).

confiscation. The brief concludes that Montenegro needs to strengthen its legal and regulatory framework, build robust supervision and market-integrity structures and advance intelligence-led prosecutions. It also calls for support from Montenegro's European partners to enhance effectiveness and provides clear guidance on developing an institutional roadmap for 2026.

## Methodology

This policy brief draws on GI-TOC's work on illicit financial flows since 2021.<sup>9</sup> It also builds on GI-TOC's research on crypto-enabled crime in Montenegro since 2023.<sup>10</sup> Therefore, it synthesises existing GI-TOC work, which typically combines primary and secondary sources – through interviews with officials, experts, academics and journalists; analysis of responses to freedom-of-information requests; and a review of reports, policy papers, academic literature and risk assessments. Taken together, these sources provide an evidence-based picture of Montenegro's current approach to tackling crypto-related crime.

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<sup>9</sup> Anesa Agović, Washing away crime: Money laundering in the Western Balkans, GI-TOC, 9 July 2025, <https://globalinitiative.net/analysis/money-laundering-in-the-western-balkans/>; Dardan Koçani, Dirty money: Assessing the vulnerability of financial institutions in the Balkans to illicit finance, GI-TOC, 18 November 2024, <https://globalinitiative.net/analysis/vulnerability-financial-institutions-balkans-illicit-finance/>; Observatory of Illicit Economies in South Eastern Europe, Illicit financial flows in the Western Balkans, GI-TOC, 25 January 2024, <https://globalinitiative.net/analysis/illicit-financial-flows-western-balkans/>; Kristina Amerhauser and Robin Cartwright, Illicit financial flows in Bosnia and Herzegovina, Montenegro and Serbia: Key drivers and current trends, GI-TOC, 17 January 2022, <https://globalinitiative.net/analysis/iffss-western-balkans-2/>.

<sup>10</sup> Observatory of Illicit Economies in South Eastern Europe, Montenegro's bid for crypto kudos heralds risks, Risk Bulletin, Issue 17, GI-TOC, December 2023, <https://riskbulletins.globalinitiative.net/see-obs-017/03-montenegros-bid-for-crypto-kudos-heralds-risks.html>; Major alleged drug traffickers from the Western Balkans are embracing crypto, Risk Bulletin, Issue 20, GI-TOC, December 2024, <https://riskbulletins.globalinitiative.net/see-obs-020/02-drug-traffickers-from-western-balkans-embracing-crypto.html>; Seizing crime-related virtual assets remains a challenge in the Western Balkans, Risk Bulletin, Issue 21, GI-TOC, May 2025, <https://riskbulletins.globalinitiative.net/see-obs-021/03-seizing-crime-related-virtual-assets-remains-challenge-in-western-balkans.html>; Balkan countries lack the tools and drive to combat crypto fraud, Risk Bulletin, Issue 22, GI-TOC, December 2025, <https://riskbulletins.globalinitiative.net/see-obs-022/02-balkan-countries-lack-tools-and-drive-to-combat-crypto-fraud.html>.

# STRENGTHEN THE LEGAL AND REGULATORY FRAMEWORK

Montenegro is vulnerable to illicit financial flows due to its position on transit routes for illicit commodities and people between Asia and Western Europe.<sup>11</sup> The 2025 Global Organised Crime Index ranks Montenegro high in criminality and low in resilience, placing tenth among 44 European countries.<sup>12</sup> Since 2023, financial crime has had a severe impact, according to the Index, with illicit markets spreading and cyber-dependent offences rising.<sup>13</sup> In that context, Montenegro operated without basic crypto rules until March 2025.

In that gap, criminals used crypto as a low-friction channel to launder proceeds, move value rapidly across borders and convert cash to crypto via unlicensed dealers – thereby undermining detection, supervision and asset recovery. Criminal groups invested illicit funds in cryptocurrencies, as Montenegro's government noted in a serious organised crime threat assessment from November 2024.<sup>14</sup> Additionally, Montenegro has emerged as a major European hub for cryptocurrency use on darknet markets, according to the European Union Drugs Agency.<sup>15</sup>

Despite initial moves to regulate blockchain in early 2022,<sup>16</sup> the market remained effectively unregulated until March 2025. Currently, cryptocurrency is not legal tender, but ownership and use are permitted. In practice, property can be bought with Bitcoin or Ether and then converted to euros. Crypto gains are still outside the tax net, creating incentives for opacity. In March 2025, Montenegro introduced pragmatic measures, primarily through amendments to the anti-money-laundering law, to bring cryptocurrency within scope and align with international standards.<sup>17</sup> However, a comprehensive umbrella law for virtual assets remains missing.

In 2026, Montenegro should aim to finalise a law on virtual assets. The government is expected to establish a formal, deadline-driven working group comprising the finance ministry, central bank, market regulator, law enforcement, financial intelligence unit, tax and consumer protection agencies, as well as representatives from commercial banks, fintech firms, academia, civil society and the local crypto community.<sup>18</sup> Virtual asset service providers from neighbouring and partner countries, as well as international organisations, should be invited to share their experience and

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<sup>11</sup> Vuk Maraš, Illicit Financial Flows in Montenegro, GI-TOC, March 2024, <https://see.globalinitiative.net/hotspots/iff/reports/montenegro.pdf>.

<sup>12</sup> GI-TOC, Global Organized Crime Index: Montenegro, November 2025, <https://ocindex.net/country/montenegro>.

<sup>13</sup> Ibid.

<sup>14</sup> Vlada Crne Gore – Biro za operativnu saradnju, SOCTA 2024: Procjena opasnosti od teškog i organizovanog kriminala u Crnoj Gori, 20 November 2024, <https://www.gov.me/dokumenta/d56f67a7-5d3d-4812-8687-aff237ba5c52>.

<sup>15</sup> European Union Drugs Agency, Cryptocurrencies and drugs: Analysis of cryptocurrency use on darknet markets in the EU and neighbouring countries, 11 April 2023, [https://www.euda.europa.eu/drugs-library/cryptocurrencies-and-drugs-analysis-cryptocurrency-use-darknet-markets-eu-and-neighbouring-countries\\_en](https://www.euda.europa.eu/drugs-library/cryptocurrencies-and-drugs-analysis-cryptocurrency-use-darknet-markets-eu-and-neighbouring-countries_en).

<sup>16</sup> Observatory of Illicit Economies in South Eastern Europe, Montenegro's bid for crypto kudos heralds risks, Risk Bulletin, Issue 17, GI-TOC, December 2023, <https://riskbulletins.globalinitiative.net/see-obs-017/03-montenegros-bid-for-crypto-kudos-heralds-risks.html>.

<sup>17</sup> Zakon o sprečavanju pranja novca i finansiranja terorizma, Službeni list Crne Gore, 110/23, 065/24, 024/25.

<sup>18</sup> Media outlets reported that a government working group on virtual assets was established in October 2025. However, as of 17 December 2025, no official decision has been published on official websites of the Government of Montenegro, Central Bank of Montenegro, or Capital Market Authority of Montenegro – Blaženka Klikovac, Kriptovalute korak ispred propisa, zakon još nije usvojen, Dan, 22 October 2025, <https://www.dan.co.me/vijesti/ekonomija/kriptovalute-korak-ispred-propisa-zakon-jos-nije-usvojen-5320855>.

expertise. The process should be open and transparent, including public consultations, draft releases, impact assessments and clear responses to feedback.

As an EU candidate, Montenegro should follow the EU's lead and adopt the Markets in Crypto-Assets (MiCA) framework instead of non-EU regulations.<sup>19</sup> MiCA, which came into full effect in December 2024, establishes a unified set of rules for crypto-asset issuers and service providers across the EU member states. It categorises three types of assets: asset-referenced tokens, e-money tokens and other crypto-assets, such as utility tokens, ensuring that both issuers and crypto-asset service providers are subject to consistent oversight.<sup>20</sup>

Under MiCA, crypto-asset service providers need authorisation to operate across the EU through passporting. They must adhere to strict standards on governance, conduct, safeguarding and segregation of client assets, complaints handling and market integrity, with liability for client asset losses. Issuers are subject to transparency and disclosure requirements, including those related to environmental impact. Stablecoins face tighter reserve, redemption and governance rules.<sup>21</sup> Supervisory authority powers are enhanced. For Montenegro, adopting MiCA offers legal clarity, consumer protection and a clear route to align with EU market standards.

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<sup>19</sup> EUR-Lex, European crypto-assets regulation (MiCA), <https://eur-lex.europa.eu/EN/legal-content/summary/european-crypto-assets-regulation-mica.html>.

<sup>20</sup> Ibid.

<sup>21</sup> Ibid.

# BUILD SUPERVISORY AND MARKET INTEGRITY STRUCTURES

Montenegro currently has no officially registered virtual asset service providers. However, some trades occur on major exchanges such as Binance and Gate.io, while other cryptocurrency-for-cash transactions occur off-platform and outside regulatory oversight. Unregistered dealers, online forums and Telegram groups facilitate face-to-face cash settlements, thereby enabling transactions without customer due diligence or reporting.<sup>22</sup> The demand comes from both local residents and foreigners, particularly Russians, Ukrainians and Turks.<sup>23</sup>

For example, investigative journalists from BIRN Montenegro found that the Telegram group *Обмен Валютом* Montenegro, with over 7,000 members and Russian-language messaging, facilitates direct crypto exchange in Montenegro.<sup>24</sup> Its rules encourage trading only with verified participants (video-verified using passport data) and recommend in-person transactions in public places. The group frames its ethos around a non-aggression principle,<sup>25</sup> underscoring a quasi-community governance model that still operates outside formal oversight.

A digital forensic analysis of a dealer's wallet from October 2024 to October 2025 revealed 2,397 transactions – 2,056 incoming and 341 outgoing – amounting to roughly USD \$9 million in inflows and USD \$8.2 million in outflows. About 75% of transfers are routed through lower-risk exchange platforms and roughly 25% through medium- or high-risk venues. The wallet received a Global Ledger risk score of 45 out of 100, indicating a medium risk level.<sup>26</sup> The score suggests that significant volumes move through mainstream exchanges but remain exposed to higher-risk sources.

Recognising the issue and seeking alignment with international standards, particularly those of FATF and MONEYVAL, Montenegro regulated certain aspects of crypto-asset management: the operation of trading platforms, crypto-to-fiat and crypto-to-crypto exchanges and the execution of crypto transactions for clients through amendments to the anti-money-laundering law in March 2025.

Under the amended law, virtual asset service providers must register with a national register managed by the Capital Market Authority before commencing operations.<sup>27</sup> The framework stops

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<sup>22</sup> Ivan Ivanović, Kripto dileri i Telegram mjenjačnice: Milionske transakcije prolaze ispod radara, BIRN Montenegro, 8 December 2025, <https://birn.me/istrazivanja/kripto-dileri-i-telegram-mjenjacnice-milionske-transakcije-prolaze-ispod-radara/>; Jovana Damjanović, Država ne kontroliše kupovinu nekretnina kriptovalutama, BIRN Montenegro, 20 June 2025, <https://birn.me/istrazivanja/drzava-ne-kontrolise-kupovinu-nekretnina-kriptovalutama/>.

<sup>23</sup> Željka Vučinić, Kripto za vile: Crnogorsko tržište luksuznih nekretnina dobija digitalni podstrek, BIRN Montenegro, 29 December 2023, <https://birn.me/crypto-ai/kripto-za-vile-crnogorsko-trziste-luksuznih-nekretnina-dobija-digitalni-podstrek/>; Ivan Ivanović, Kripto dileri i Telegram mjenjačnice: Milionske transakcije prolaze ispod radara, BIRN Montenegro, 8 December 2025, <https://birn.me/istrazivanja/kripto-dileri-i-telegram-mjenjacnice-milionske-transakcije-prolaze-ispod-radara/>.

<sup>24</sup> Ivan Ivanović, Kripto dileri i Telegram mjenjačnice: Milionske transakcije prolaze ispod radara, BIRN Montenegro, 8 December 2025, <https://birn.me/istrazivanja/kripto-dileri-i-telegram-mjenjacnice-milionske-transakcije-prolaze-ispod-radara/>.

<sup>25</sup> Ibid.

<sup>26</sup> Ibid.

<sup>27</sup> Article 40a, Zakon o sprečavanju pranja novca i finansiranja terorizma, Službeni list Crne Gore, 110/23, 065/24, 024/25.

short of licensing, relying instead on registration. This choice has trade-offs: registration is quicker and less burdensome, which can support innovation and market entry. However, licensing offers stronger pre-entry scrutiny (fit-and-proper tests, governance and safeguarding), clearer ongoing obligations and a firmer basis for targeted supervision and enforcement. In higher-risk or fast-evolving sectors, a registration-only model may be less effective at preventing financial crime and market abuse.<sup>28</sup>

The amended law requires the Capital Market Authority to establish a public register of virtual-asset service providers by 28 December 2025.<sup>29</sup> Therefore, in 2026, Montenegro should aim for full operational readiness of the register, including clear procedures, sufficient staffing, a budget and a reliable IT platform. The regulation should specify the register's contents and the rules governing oversight. To enhance accessibility and adherence, the launch notice and user guidelines must be published in the local language and, where applicable, in English, Russian, Ukrainian and Turkish. These should detail eligibility criteria, required documentation, forms, service timelines and contact points.

## WHAT SHALL CONTAIN THE REGISTER OF VIRTUAL ASSET SERVICE PROVIDERS IN MONTENEGRO

The 2025 amendments to Montenegro's anti-money laundering legislation set out the data requirements for the forthcoming virtual asset service provider register.<sup>30</sup> These rules closely follow the MiCA framework.<sup>31</sup> By 2026, Montenegro should aim to fully align with MiCA and introduce regulations covering not only the virtual asset service provider register but also the registers of crypto-asset whitepapers and issuers of asset-referenced tokens and e-money tokens.

In addition to the new anti-money laundering requirements, the register of virtual asset service providers in Montenegro must include the following information:

- Concrete legal form of the provider (limited liability company, joint stock company, or sole proprietorship).
- Service provider registration number received upon registration.
- Details on branches of the provider, if applicable.
- List of countries where the provider offers services (passporting destinations), if applicable.
- Commercial name (brand name) of the provider if distinct from the legal name.

<sup>28</sup> Updated Guidance for a Risk-Based Approach to Virtual Assets and Virtual Asset Service Providers, FATF, 28 October 2021, <https://www.fatf-gafi.org/en/publications/Fatfrecommendations/Guidance-rba-virtual-assets-2021.html>; Natalia Latka, FATF July 2024 Update: Global VAs/VASPs Compliance Insights, Merkle Science, 10 July 2024, <https://www.merklescience.com/blog/fatf-july-2024-update-global-vas-vasp-compliance-insights>; Thomas Burgess, A multi-jurisdictional perspective: To what extent can cryptocurrency be regulated? And if so, who should regulate cryptocurrency?, Journal of Economic Criminology, 5, September 2024, <https://doi.org/10.1016/j.jeconc.2024.100086>.

<sup>29</sup> As of 17 December 2025, no announcement regarding the register's launch had been posted on the Capital Market Authority's website.

<sup>30</sup> Article 40c, Zakon o sprečavanju pranja novca i finansiranja terorizma, Službeni list Crne Gore, 110/23, 065/24, 024/25.

<sup>31</sup> Article 109, Regulation (EU) 2023/1114 of the European Parliament and of the Council of 31 May 2023 on markets in crypto-assets, and amending Regulations (EU) No 1093/2010 and (EU) No 1095/2010 and Directives 2013/36/EU and (EU) 2019/1937.

- Website of the provider and, where applicable, of any trading platform it operates.
- Starting date or intended starting date for provision of services.
- Other services the provider offers that fall outside the crypto regime, with a reference to the applicable national law.
- Date of authorisation and, where relevant, date of withdrawal of authorisation.

During the register consolidation in 2026, the Central Bank of Montenegro must ensure that all virtual asset service providers in the country comply with anti-money laundering requirements and undergo oversight. This could involve amending the central bank's existing regulations or addressing this issue in a new law on virtual assets. Currently, the Central Bank of Montenegro appears to lack the legal basis and powers necessary to supervise these designated virtual asset service providers.<sup>32</sup> Also, in 2026, Montenegro should consider shifting from registration to licensing for virtual asset service providers as part of discussions on the new virtual assets law. This move would subject providers to greater scrutiny.

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<sup>32</sup> Council of Europe, Anti-money laundering and counter-terrorist financing measures Montenegro, December 2023, <https://rm.coe.int/montenegro-for-publication/1680ae59a5>.

# ADVANCE INTELLIGENCE-LED PROSECUTION

Montenegro begins its fight against crypto crime from a weak position: it lacks licensed virtual asset service providers, has a substantial off-platform cash-for-crypto market and has only partial legal coverage through recent anti-money laundering amendments. While law enforcement has gained basic blockchain analysis tools, participates in international cooperation channels such as Egmont and has trained staff, Montenegro has recorded no seizures or confiscations of criminal proceeds from virtual assets, and investigations are rare.

The seizure and confiscation of criminal proceeds is an essential strategy in combating organised crime. Asset seizure temporarily prevents suspects from accessing or transferring their property while a court case is ongoing, thereby ensuring that illicit gains remain available for confiscation. Once confirmed, confiscation permanently deprives criminals of these assets, disrupting their operations by cutting off financial resources and preventing reinvestment in further illegal activities.<sup>33</sup> However, seizures and confiscations depend heavily on the effectiveness of the broader criminal justice system, which relies on prompt investigations, strong prosecutions, efficient courts, solid mutual legal assistance and effective asset management.

Montenegro is intensifying efforts to reform its criminal justice system, aiming to align with European standards and strengthen institutions in combating organised crime. The European Commission's latest report indicates that Montenegro made notable progress in addressing organised crime in 2025. However, the country remains moderately prepared and must improve the efficiency of its prosecution system.<sup>34</sup> The EU assessment is unsurprising, as a trial monitoring report indicates that from July 2021 to March 2024, only 2 of 59 monitored organised crime and corruption cases were resolved. Concerns also arise over sentencing practices, with courts awarding penalties below the legal minimum in 55 of 59 cases, often in connection with plea bargains.<sup>35</sup>

Montenegro has made progress in confiscating traditional criminal assets, such as cash and real estate. The EU noted a slight increase in asset-freezing and asset-seizure cases, but the country's track record in final asset confiscation remains limited and needs improvement.<sup>36</sup> Seizing virtual assets is even more challenging due to rapid transactions, difficulties tracing ownership, their borderless nature and regulatory gaps. It's also necessary to have a national crypto wallet. As a

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<sup>33</sup> Colin May, Asset seizure and forfeiture: a basic guide, FBI Law Enforcement Bulletin, 10 August 2016, <https://leb.fbi.gov/articles/featured-articles/asset-seizure-and-forfeiture-a-basic-guide>; European Commission, Confiscation and freezing of assets, [https://commission.europa.eu/law/cross-border-cases/judicial-cooperation/types-judicial-cooperation/confiscation-and-freezing-assets\\_en](https://commission.europa.eu/law/cross-border-cases/judicial-cooperation/types-judicial-cooperation/confiscation-and-freezing-assets_en).

<sup>34</sup> Directorate-General for Enlargement and Eastern Neighbourhood, Montenegro Report 2025, 4 November 2025, [https://enlargement.ec.europa.eu/montenegro-report-2025\\_en](https://enlargement.ec.europa.eu/montenegro-report-2025_en).

<sup>35</sup> Organization for Security and Co-operation in Europe, From Paper to Practice: Evaluating the Effectiveness of Judicial Responses to Serious Organised Crime and Corruption, 4 June 2024, <https://www.osce.org/secretariat/570156>.

<sup>36</sup> Directorate-General for Enlargement and Eastern Neighbourhood, Montenegro Report 2025, 4 November 2025, [https://enlargement.ec.europa.eu/montenegro-report-2025\\_en](https://enlargement.ec.europa.eu/montenegro-report-2025_en).

result, the State Property Administration, which manages confiscated assets, recorded no confiscations of virtual assets during 2020-2025.<sup>37</sup>

Over recent years, substantial investment has been made in police officer training. Meanwhile, Montenegro's international partners have contributed through bilateral and multilateral agreements,<sup>38</sup> supplying digital tools to monitor cryptocurrency transactions. This effort is particularly focused on the Sector for Financial Intelligence Affairs within the Police Administration. As a result, 12 police officers have been trained in cryptocurrencies and blockchain technology.<sup>39</sup> The Sector now has access to Chainalysis Reactor and Kodex and has conducted analyses into 15 cases involving suspected money laundering or terrorism financing.<sup>40</sup>

While digital tools enhance law enforcement's investigative efforts, they face sustainability challenges. Currently, access relies on donor-funded projects, which end when funding ends. A major issue for the public sector is high personnel turnover; trained officials often move to other roles, resulting in a loss of vital skills. The Special State Prosecutor's Office and Special Police Department have long faced staffing shortages,<sup>41</sup> hindering case management. Also, it remains unclear how many of these 15 cases resulted in formal criminal complaints or indictments.

In 2026, Montenegro should focus on integrating financial intelligence into initial investigations – conducting parallel financial investigations and routinely targeting crypto on- and off-ramps. This approach requires close cooperation among the financial intelligence unit, the criminal police and prosecutors, as well as swift engagement with future virtual asset service providers. Cross-border coordination with Europol and Interpol is also crucial. Establishing clear procedures for seizure, custody and court presentation is vital. Robust oversight and market integrity rules – enhancing record-keeping, governance and provider cooperation – will bolster prosecutions and align with international standards.<sup>42</sup>

Additionally, Montenegro should enhance the capacity of the Special State Prosecutor's Office and the Special Police Department by filling vacancies, stabilising teams, and improving working conditions to handle complex financial and cryptocurrency cases better. The country should ensure ongoing access to blockchain analytics tools, such as Chainalysis Reactor or similar platforms, by including them in national public procurement plans to sustain capability beyond donor funding. Developing a national crypto wallet is necessary to support the seizure and confiscation of virtual

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<sup>37</sup> Based on the response of the State Property Administration of Montenegro to a freedom of information request, July 2025; Milena Radonjić, Crna Gora bez zapljena digitalne imovine, Pobjeda, 8 December 2025, <https://www.pobjeda.me/clanak/crna-gora-bez-zapljena-digitalne-imovinee>.

<sup>38</sup> In December 2024, Montenegro welcomed the launch of the Western Balkans Cyber Capacity Centre (WB3C). The centre provides specialised training for police and prosecutors, covering crime typology, digital evidence and cryptocurrencies – WB3C, Montenegro Police Director Opens Crypto Assets Investigation Training, 26 February 2025, <https://wb3c.org/event/29/montenegro-police-director-opens-crypto-assets-investigation-training>.

<sup>39</sup> Alen Hadžović, Kripto prevare sve češće, država bez odgovora, Pobjeda, 1 December 2025, <https://www.pobjeda.me/clanak/kripto-prevare-sve-cesce-drzava-bez-odgovora>.

<sup>40</sup> Vjesti, DEBATA – Kriptovalute i organizovani kriminal: Novi izazovi za finansijske istrage, YouTube, 4 July 2025, [https://youtu.be/AZiUwzLNbE?si=4-DU-sxU3Fk\\_cMg3](https://youtu.be/AZiUwzLNbE?si=4-DU-sxU3Fk_cMg3); Milena Radonjić, Crna Gora bez zapljena digitalne imovine, Pobjeda, 8 December 2025, <https://www.pobjeda.me/clanak/crna-gora-bez-zapljena-digitalne-imovinee>.

<sup>41</sup> Directorate-General for Enlargement and Eastern Neighbourhood, Montenegro Report 2025, 4 November 2025, [https://enlargement.ec.europa.eu/montenegro-report-2025\\_en](https://enlargement.ec.europa.eu/montenegro-report-2025_en).

<sup>42</sup> FATF, FATF urges stronger global action to address Illicit Finance Risks in Virtual Assets, 26 June 2025, <https://www.fatf-gafi.org/en/publications/Fatfrecommendations/targeted-update-virtual-assets-vasps-2025.html>; International Organization of Securities Commissions, Policy Recommendations for Crypto and Digital Asset Markets, 16 November 2023, <https://www.iosco.org/library/pubdocs/pdf/IOSCOPD747.pdf>.

assets, along with practical protocols for tracing and seizing them. Montenegro should continue collaborating with the Western Balkans Cyber Capacity Centre.

## CONCLUSIONS AND ROADMAP

Montenegro is advancing its efforts to reform cryptocurrency regulation and crime investigation, though progress remains uneven. The country continues to face regulatory gaps due to the lack of a comprehensive crypto law and an effective oversight framework. Law enforcement agencies are under-resourced, hindering their ability to turn crypto intelligence into successful prosecutions. Meanwhile, the justice system struggles with efficiency and consistency, particularly in dealing with complex organised crime cases. In 2026, Montenegro needs to close the gaps, and the roadmap below offers guidance for policymakers.

RECOMMENDATION	ACTIVITY	Q1	Q2	Q3	Q4
Strengthen the legal and regulatory framework	Constitute the virtual assets law working group and approve the work plan.				
	Launch a public consultation call and publish a problem statement.				
	Draft the law in line with EU MiCA and issue an exposure draft for public consultation.				
	List the required rulebooks and specify the authorities responsible for drafting.				
	Submit the virtual assets law to parliament and secure passage.				
	Finalise the remaining rulebooks and set transition timelines.				
Build supervisory and market integrity structures	Launch a register of service providers and allocate resources accordingly.				
	Issue, translate, publish and present an information booklet about the register.				
	Organise an international study visit to learn about oversight and inspection.				
	Issue supervisory manuals and formulate the oversight and inspection plan.				
	Run a pilot inspection of a virtual assets service provider locally.				
	Develop a plan to transition from registration to licensing for asset providers.				

Advance intelligence-led prosecution	Adopt an internal procedure to track, seize and recover illicit virtual assets.				
	Set up a government-controlled crypto custody wallet.				
	Update the procurement plan to incorporate a blockchain analytics tool.				
	Run a new training wave of criminal justice professionals with WB3C.				
	Test an investigation that will result in the seizure and confiscation of virtual assets.				

**FIGURE 1** Roadmap for policymakers to close gaps in fighting crypto-related crime and enhance the regulatory framework.