Chapter 6
Cybercrimes via Virtual Currencies in International Business

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ABSTRACT

This chapter is willing to shed some light on virtual currencies (VCs) and cybercrimes in International Business. In recent years, Cybercrime is a major concern for the global community. Besides, virtual currency (VC) has made a transformational impact on purchasing habits on a global scale. The advantages VC provides and the difficulty to control it cause the problem of the possibility of committing cybercrimes in the virtual environment. The freedom of VCs provides and the difficulties in controlling it facilitate the realization of crimes like money laundering and finance of terrorism in the virtual environment. Our research demonstrates the structural and legal status of VCs, the different regulations in various countries and the cybercrimes committed via VCs.

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INTRODUCTION

The term "globalization" is full of meanings in economic literature and essentially understood as a symbol of wealth: It is an important tool that shifts all productive sectors to a different level. The type of changes delivered by this phenomenon has been felt in the economic, political, social and technological systems. Moreover, technology seems to be the most highlighted topic in scientific studies (Maftei, 2014). In recent years, a radical revolution has come in socio-economic and communication transaction by the internet. Due to increasing importance of the internet,, an integral dimension of the 21st Century is the Cyberspace (Harknett & Stever, 2009; Kamal, Chowdhury, Haque, Chowdhury, & Islam, 2012).

The internet has become a fruitful ground for criminals to regain funds to back their operations which are realized by participating in activities ranging from credit card theft using key logging, phishing and hacking attacks to money laundering (Irwin, Slay, Choo, & Lui, 2014). As the Internet technologies advance, the money launderers, terrorism financiers and criminals also advance themselves to use the internet for illicit and illegal activity (Irwin et al., 2014). Furthermore, conventional organized crime groups have become growingly involved in cybercrime issues (Broadhurst, Grabosky, Alazab, & Chon, 2014).

With regards to these developments, VCs or 'cryptocurrencies' have evolved immensely and are quickly establishing themselves as a system of payment. Today, the VCs as multibillion-dollar venture has a dual potential as both an investment and an electronic medium of exchange (Lee, Long, McRae, Steiner, & Gosnell Handler, 2015).

In the financial markets, Bitcoin is the most popular and fascinating virtual currency among cryptocurrencies. There is no central authority that issues this currency. Thus, the Bitcoin has been controversial ever since its popularity and it was accompanied by increased popular interest that reached high levels (Kristoufek, 2015).

It is well known that global authorities including The Financial Action Task Force (FATF), Interpol, The Financial Crimes Enforcement Network (FinCEN), Europol and G7 have long been concerned about the state of regulation on digital currencies. This is due to the potential for the new technology to be used by groups seeking to support various illicit activities (http://www.coindesk.com/bitcoin-paris-and-terrorism-what-the-media-got-wrong/). In this paper Cybercrimes via VCs will be examined below.