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Crypto and What It Means to Companies

March 2025



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Agenda

What is crypto and blockchain

What are the top coins and their use in companies

Current trends

Security concerns

Questions



Learning Objectives

At the end
of this
session,
you will be
able to:

- Review the rapid evolution of cryptocurrency over the last decade
- Recognize the reasons why companies are retaining cryptocurrency
- Identify the risks associated with the use of cryptocurrency, including ransomware payments
- Discuss the potential benefits and challenges of trading cryptocurrency for profit at a company level





What is Crypto and Blockchain?



History of Cryptocurrency

- Idea was initially brought up in 1983 by an American Cryptographer, David Chaum
- In 1995 Chaum invented Digicash
- Bitcoin launched in 2009



“The European Union is in late-stage talks over how to implement new rules intended to curb dodgy behavior that uses virtual assets – but estimates of the share of crypto payments linked to financial crime vary wildly from 0.15% to a whopping 46% of transaction volumes.”

[How Big Is Crypto Crime, Really? \(coindesk.com\)](https://www.coindesk.com)



What Is Cryptocurrency?

Digital currency that does not rely on any central authority to uphold or maintain it.

Transactions, ownership and data are stored in a digital ledger using distributed ledger technology, usually blockchain.

Interestingly, at issuance cryptocurrency is issued by a single issuer so prior to issuance, it is generally considered centralized.



What Is Blockchain?

Shared, immutable (unchanging over time) ledger that facilitates the process of recording transactions and tracking assets.

Assets can be either:

- Tangible (boats, houses, car, cash, land) or
- Intangible (IP, Patent)



Public, Private Keys and Wallets



Public Key

This is the key that can be shared with others to send and receive payments via the blockchain



Private Key

This is your password and should be guarded very closely. In a de-centralized environment there is no bank of origin who can reissue a password if you lose it or a branch to go so your signature card can be checked.



Cold Storage

Your private keys are stored with no access to the internet.



Crypto Wallet

Place to store all things crypto (making it much like a wallet)



Hot Wallet (Crypto Wallet)

Your private keys are stored on the internet

What Is Digital Currency and Distributed Ledger

Digital Currency

- Currency that exists only in digital/electronic form and that can operate independently of a central bank.
- This brings up questions surrounding FDIC & backing (or not backing) of Crypto

Distributed Ledger

- Use independent computers (nodes) to record and collate transactions in their respective electronic ledgers (instead of keeping data centralized as in a traditional ledger).
- Blockchain gathers data into blocks (there are three flavors of blocks, orphan, geneses & valid), which are chained together – hence blockchain



Crypto Crime Trends

- Crypto crime has been increasing consistently from 2020 at an average of 25%.
- In 2024, it was calculated that \$40.9 billion was received by illicit addresses.
 - The estimated total may be closer to \$51 billion.
- Illicit transaction includes the funds identified as illicit and crypto hacks.
- It is expected to see an increase as more illicit addresses are being identified. In 2023, there was a \$24.2 billion. One year later, the estimates for 2023 have increased to \$46.1 billion due to vendors providing on-chain infrastructure and laundering services for high-risk and illicit actors.

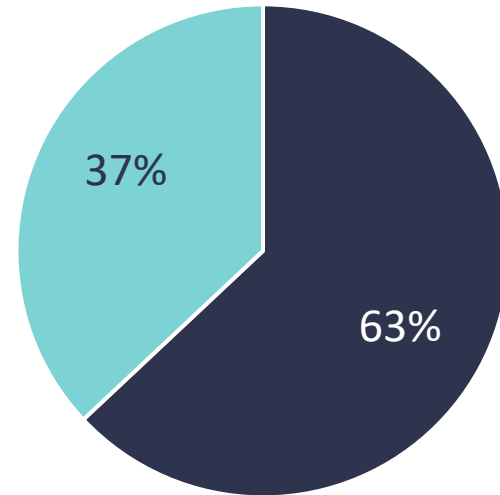
[Crypto Crime Trends for 2025: Total cryptocurrency value received by illicit addresses - Chainalysis](#)



Crypto Crime Trends

- Since 2020, Bitcoin was the cryptocurrency chosen by the cyber criminals due to high liquidity.
- Over the years, there has been a major diversification in the currencies being leveraged by cyber criminals.
 - Stablecoin is now the currency leveraged for 63% for all illicit transaction volume.
 - The other 37% include Bitcoin, Ethereum and Alts.

Diversification in Currencies



■ Stablecoin ■ Bitcoin, Ethereum and Alts





Use of Crypto in Companies



Top Crypto Coins

Name	Price	Market Cap
Bitcoin (BTC)	\$84,292.58	\$13,804,419,278.00
Ethereum (ETH)	\$138.93	\$6,495,922,443.00
Tether (USDT)	\$1.00	\$38,754,442,395.00
XRP (XRP)	\$2.38	\$3,636,934,541.00
BNB (BNB)	\$617.97	\$1,397,601,492.00
Solana (SOL)	\$135.72	\$1,871,814,877.00
USDC (USDC)	\$0.99	\$4,206,579,867.00
Cardano (ADA)	\$0.75	\$742,613,322.00

[Top 100 cryptocurrency coins by market cap](#) | [CoinMarketCap](#)



Advantages of Crypto for Companies

Help grow their customer base by introducing cryptocurrency into their list of services offered

Enhance security to help shield companies from fraudulent activities

Quicker transactions since cryptocurrency transactions do not rely on intermediaries during payment processing





Trends and Predictions



Prediction for Crypto

There has been a *steady increase* of the use of crypto as payment since 2022.

It's expected to see a *19.4%* of crypto owners transact with crypto in 2026, which is an *increase from the 13.4%* seen in 2024.

That would equate to an *82.1% increase* of users leveraging crypto as a method of payment from 2024 to 2026.

Bank of America has stated that the U.S. banking industry will allow crypto payments to be leveraged by users, only if proper regulations are applied.

<http://emarketer.com/content/banks-crypto-payments-trump-bank-of-america-ceo>

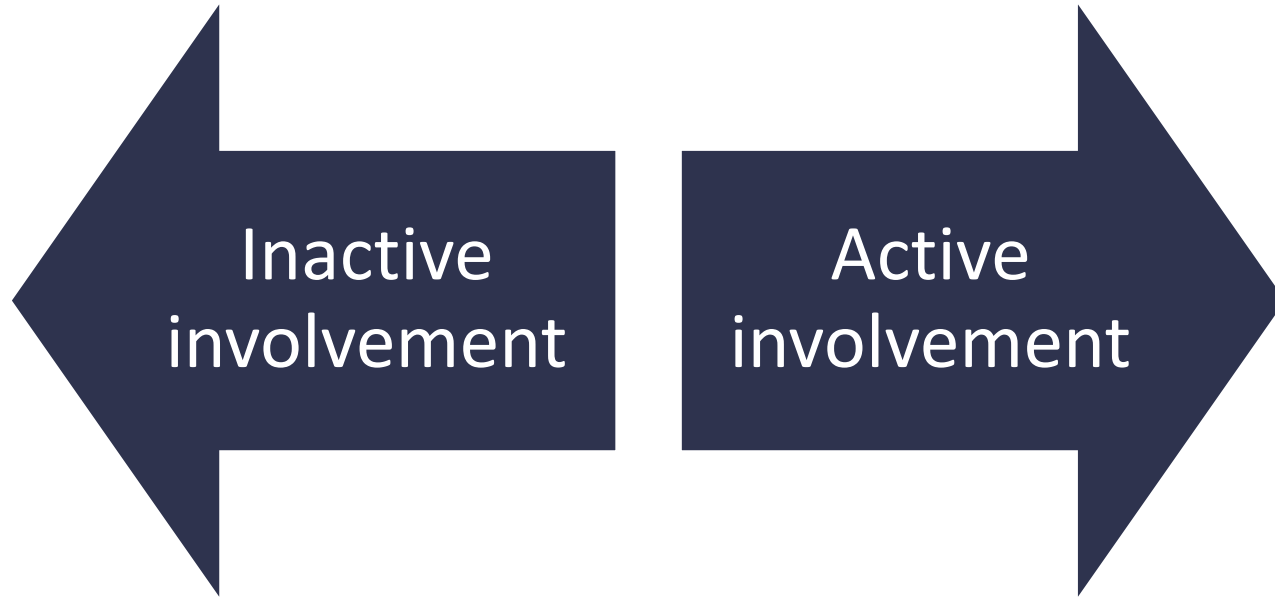


Increasing Regulatory Involvement With Crypto

- President Trump's announcement in March 2025 of creating a U.S. "strategic reserve" of digital assets
- AICPA has updated its practice aid to offer a new definition for digital assets, new and amended accounting questions, and the introduction of new terms
- Financial Innovation and Technology for the 21st Century Act (FIT21) passed by the House in May 2024 to provide clear regulatory authority to the SEC and the CFTC



Consideration of Involvement With Crypto As Payment



Inactive Involvement Concerns



REGULATORY
REQUIREMENTS
CONTINUALLY CHANGING



USE OF THIRD PARTY AND
HOW IT AFFECTS YOUR OWN
ACCOUNTING



RISKS RELATED CAPABILITIES,
SECURITY, AND RELIABILITY
OF THE THIRD PARTY
FACILITATING THE PAYMENTS

Active Involvement Concerns



Unclear goals may lead to scope creep and difficulty in managing risk



Understanding of risks and controls needed depending on if custody of the crypto is maintained by the company or outsourced to a third party



AML and KYC regulations and risks taken on by the company



New tax and accounting considerations for the company

Successes and Disasters

Success

- Mastercard and J.P. Morgan Partner on blockchain-based B2B Payments
- In November 2024, Mastercard's Multi-Token Network connected to J.P. Morgan's Kinexys digital payments
- Allows for the real-time transfer of value, reducing time zone friction and settlement delays

Disaster

- Atomic wallet lost over stole over \$100 million worth of digital currency from users' accounts in June 2023
- Breach affected at least 5,500 crypto accounts and largest victim of the attack lost 7.95 million USDT in the attack





Security Concerns



Increasing Security Concerns

\$749 million was lost until Q3 in 2024 due to cryptocurrency hacks.

With phishing being the number one method leveraged by bad actors. With around \$343 million being lost.

A few other methods have been leveraged by bad actors that include:

- Private Key Compromise (\$324.4 million)
- Code Vulnerability (\$39.6 million)
- Reentrancy (\$30.3 million)
- Price Manipulation (\$7.6 million)
- IDO/Fund Raising (\$2.1 million)
- Token Dump (\$1.4 million)
- Honeypot (\$400,000)
- Liquidity Removed (\$300,000)
- Access Control (\$100,000)



Questions

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