Audit for Digital Assets

Digital assets have drastically grown in popularity over recent years. This phenomenon has also reached the banking sector, where clients can choose to onboard their digital assets into the infrastructure of a bank. Naturally, this begs the question of the regulatory processes that come with such a step. Currently, onboarding digital assets involves intense manual labor in the banking sector. One has to provide an overview of the source of wealth and a summary of the transactions, which can be outsourced to companies specializing in that field. However, compliance teams still often check transactions manually - e.g. pricing and history check of digital asset flow - which requires not only extensive know-how but also an understanding of such money flows.

We develop an automated auditing tool which can enhance the Anti Money Laundering (AML) procedure of a bank in order to speed up and simplify this onboarding process. Compared to the highly fragmented and intransparent fiat money system, the blockchain serves as a comprehensive source of truth, which allows for automated auditing. Because the blockchain stores all transactions executed on the ledger and allows this data to be publicly accessed, we can create a tool that automatically profiles a given wallet address. This gives the possibility to assess whether DAs have been transferred from blacklisted wallets, on which crypto exchanges cryptocurrencies were bought and whether the source of funds has been obfuscated by the use of a mixer.

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