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A representation of cryptocurrency Bitcoin is seen in this illustration. (CNS photo/Dado Ruvic,

A representation of cryptocurrency Bitcoin is seen in this illustration. (CNS photo/Dado Ruvic, Reuters)

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The Vatican urged the international community to regulate cryptocurrency, especially because of its growing use in the smuggling and exploitation of migrants and vulnerable persons.

In a statement Oct. 14, Msgr. Janusz Urbanczyk, the Vatican representative to U.N. agencies in Vienna, said the use of cash to avoid transparency "has shifted into the even less transparent world of digital payment and cryptocurrencies."

"While some online platforms oblige their clients — senders and beneficiaries of remittances — to identify themselves, some cryptocurrency platforms and virtual asset service providers do not request identification from their customers," Msgr. Urbanczyk explained.

"As is well known, this only increases opportunities for money laundering and similar crimes," he said.

The warning comes as authorities across the globe contend with the challenges posed by the use of digital currency, some of which are designed to keep users anonymous, in order to launder money often used in drug and human trafficking.

Technology, the Vatican representative said, "is a double-edged sword," and while cryptocurrency can be used "for evil ends," there are also technological advancements developed by law enforcement authorities that allow "people to equip themselves with knowledge about the risks of smuggling and provide means through which to report possible cases of it."

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Nevertheless, Msgr. Urbanczyk said it was "necessary that both state and non-state actors take appropriate actions to promote the development of secure technological solutions."

He also called for further development of ways to identify virtual assets "to increase transparency" and the promotion of campaigns on "smuggling and initiatives to stop migrant smuggling and to make migration more safe, orderly and regular."

"To raise awareness of their risks and educate users and beneficiaries in the correct use of virtual assets, awareness campaigns and specific training programs should be promoted — both nationally and internationally — to contribute to the prevention of smuggling and protection of migrants, particularly those in need," Msgr. Urbanczyk said.