



CAN CRYPTO-ASSETS BE USED IN INTERNATIONAL INVESTMENTS? AN ANALYSIS OF LEGAL AND FINANCIAL IMPLICATIONS

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ABSTRACT

This study examines the use of crypto-assets in international investment, focusing on their legal, financial, and regulatory dimensions. Against the background of declining global investment flows and the rapid growth of the digital economy, crypto-assets are assessed as an emerging component of international financial activity. The study evaluates key regulatory frameworks, including the European Union's Markets in Crypto-Assets Regulation (MiCA) and Türkiye's Law No. 7518, with particular attention to the legal status and usability of crypto-assets.

The paper also explores the role of crypto-assets in cross-border payments and international financial transactions. Stablecoins are considered in terms of their potential to reduce transaction costs and improve efficiency, making them relevant not only for payment systems but also for investment flows. At the same time, the study highlights major limitations, including volatility, regulatory uncertainty, systemic risks, and market instability. In this context, tokenization methods used by international organizations are presented as a more integrated and sustainable alternative.

The study further analyzes Türkiye's evolving regulatory framework, especially the licensing and supervision of crypto-asset service providers. Finally, it hypothetically considers whether crypto-assets could be used as company capital within international investment law. The findings suggest that although crypto-assets offer functional advantages, they cannot currently serve as stable instruments in international investment processes due to regulatory fragmentation, market volatility, and valuation problems.

KEYWORDS Crypto-assets, financial regulation, tokenization

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1. Introduction

International investment denotes the cross-border flow of capital and factors of production and is considered one of the core components of the global economic system. Traditionally studied in the context of foreign direct investment (FDI) and portfolio investment, this concept is now undergoing a transformation driven by digitalization, financial technologies, and the creation of new types of assets. This transformation is not limited to investment instruments alone; it also affects the manner in which investment processes are conducted. In this regard, the question of whether crypto-assets can be used in international investments is gaining increasing importance from both a financial and a legal point of view.

Current data on the global investment landscape suggests that this debate is not merely incidental. As of 2024, global foreign direct investment (FDI) flows totalled around USD 1.51 trillion, representing a contraction from the prior year. This decline is even more pronounced when transition investments, or “conduits” as they are often known, are excluded. At the same time, the rise of investments in the digital economy, data infrastructures, and technology sectors indicates a structural shift in global investment patterns. This implies that investment is no longer driven primarily by physical assets but, more importantly, by digital infrastructures and digital assets ([UNCTAD, 2025](#)).

Within this process of transformation, crypto-assets occupy a noteworthy yet uncertain position. On the one hand, they present significant drawbacks, such as price volatility, the risk of market manipulation, regulatory uncertainty, and exposure to money laundering. On the other hand, they offer important advantages, such as faster cross-border transactions, lower transaction costs, and the digital representation of assets. The regulatory approach adopted at the level of the European Union reflects this dual nature. Crypto-assets are acknowledged as having the potential to bring about financial innovation and alternative forms of finance; however, it is also stressed that there needs to be a comprehensive and harmonized legislative framework to ensure their safe use ([MiCAR](#)).

Evaluations by international organizations also show a cautious attitude towards the role of crypto-assets in the financial system. In analyses of the future of finance, tokenization technology is considered to present significant opportunities for cross-border payment systems as well as for securities transactions. However, it is also pointed out that stablecoin-type crypto-assets do not completely meet the criteria of singleness, elasticity, and integrity that are key features of a robust monetary system. This assessment does not suggest that crypto-assets are entirely without utility; rather, it indicates that they are

currently not in a position to replace traditional financial instruments as they presently exist (BIS, 2025a).

A similar situation is evident in relation to regulatory frameworks. Although several countries have implemented legal regulations concerning crypto-assets and related service providers, major gaps remain in their implementation. In particular, a globally harmonized system has not yet been established in areas such as licensing procedures, supervision mechanisms, decentralized finance (DeFi), and cross-border service provision. This suggests that the usability of crypto-assets in international investments depends not only on technological capabilities but also on legal compliance and governmental coordination (FATF, 2025).

Within this framework, this study systematically investigates the compatibility between crypto-assets and international investments. First, the notion of international investment and its basic principles will be analyzed. Next, the definition, classification, and current use cases of crypto-assets will be examined. Thereafter, the potential of crypto-assets in the field of cross-border payments, payment systems, and financial transactions based on swaps will be discussed. In addition, the current legal framework established in Türkiye will be briefly assessed. One of the possible areas of application of crypto-assets within international investment practice is their potential use as capital for companies. The possibilities of using crypto-assets as company capital will therefore be explored from a hypothetical perspective.

The main argument of this study is that crypto-assets are not yet able to replace traditional international investment instruments. However, they have started to play an increasingly important role in cross-border financial transactions, the digital representation of assets, and payment infrastructures. The growth of this role depends upon several conditions, including regulatory compliance, market stability, the resolution of valuation problems, and trust in the monetary system. Therefore, crypto-assets should not be considered direct alternatives to the international investment system; rather, they should be understood as evolving elements that are gradually increasing in importance in certain areas.

2. International Investment Concept and Basic Principles

International investment can be described as the transfer of capital across national borders in order to generate economic value or financial return in another country. This concept includes not only foreign direct investment (FDI) as classically understood, but also portfolio investment, cross-border investment in financial instruments, and investment in the form of digital assets, which has become increasingly significant in recent years. In the global

economic system, international investment plays a critical role both in providing finance for economic growth and in facilitating technology transfer, job creation, and increased production capacity. However, the structure of investments has changed considerably in recent years; in particular, the digital economy and data-based investments have come to the fore. Indeed, current data on global investment flows show that, although the proportion of traditional sectors of the economy in the overall volume of investments is falling, digital infrastructures and technology investments have risen relatively (UNCTAD, 2025).

The functioning of international investment is based on certain basic principles, and these principles determine the economic and legal framework of investment decisions. In this context, the risk–return balance presents itself as the most basic determinant of investment decisions. Investors allocate their funds on the basis of a variety of factors, including political risk, currency risk, regulatory risk, and market volatility. Increasing geopolitical uncertainties, financial fluctuations – especially on a global scale – and the risk of insufficient diversification, among others, are some of the factors that prompt investors to seek safer and more predictable markets. However, investment decisions do not depend solely on economic criteria, but also on legal security and regulatory stability. Factors such as the protection of investors’ property rights, the enforceability of contracts, and the free movement of capital are decisive for the viability of international investment (IMF, 2025a).

Another important constituent part of the international investment system is the freedom of capital movement, together with the institutional structure relevant to the functioning of the financial system. In the traditional financial system, these processes are mostly conducted via banks, payment systems, and centralized financial infrastructures. However, due to the changes that have occurred in financial technologies in recent years, this structure has been transformed. In particular, blockchain technology and distributed ledger systems enable the transfer of values to be carried out without intermediaries or with fewer intermediaries; this situation is transforming the technological infrastructure of international investment. However, it is obvious that this transformation has yet to be completed and institutionalized in such a way as to replace the current financial system. Therefore, the evaluation of crypto-assets in the context of international investment should not be considered only with regard to technological innovations, but also by considering the relationship of these tools to the current financial system (BIS, 2025a).

The presence of digitalization in international investment is becoming more and more apparent, particularly through the concept of tokenization. Tokenization can be understood as the digital representation of physical or financial assets

and their transaction on a blockchain, rendering them more divisible, transferable, and traceable. This development is regarded as an indicator of a new era in which investment can be realized not only through traditional tools but also through digital assets. However, for this system to function properly, legal regulations and technical infrastructure must be harmonized. Otherwise, uncertainty, valuation problems, and a lack of trust may arise in investment processes (BIS, 2025b).

When all these factors are evaluated together, it is obvious that international investment is no longer a concept confined to the geographical movement of capital; at the same time, it has become a multi-layered financial structure influenced by regulatory arrangements and technological developments. This transformation process requires a re-evaluation of the place of crypto-assets in international investment. However, when making such an assessment, it is necessary to clarify whether crypto-assets constitute an alternative to, or a complement within, the existing financial system. Therefore, in the next section, the concept of crypto-assets, their types, and their current areas of use will be discussed in detail, and the potential of these assets in the light of international investment will be analyzed in a more concrete way.

3. Crypto-Assets: Definition, Types, and Global Usage

3.1. Definition and Legal Framework

The most comprehensive and binding regulation with respect to the legal definition of crypto-assets has been adopted within the framework of the Markets in Crypto-Assets Regulation (MiCA) of the European Union. According to Article 3 of MiCA, a crypto-asset is defined as an asset that is capable of being transferred and stored electronically via distributed ledger technology or similar technology and that digitally represents a value or a right (MiCA). This definition makes clear that crypto-assets are not merely technical elements; rather, they also possess economic and legal value.

The definition is anchored in three important elements: the digital representation of value or rights, electronic transferability, and the use of distributed ledger technology infrastructure. The European Securities and Markets Authority (ESMA) stresses that this definition is to be assessed in the light of the principle of technology neutrality. Accordingly, it is the economic function of the asset and the rights associated with that function that are decisive in determining whether an asset qualifies as a crypto-asset, rather than its technical structure (ESMA, 2024).

Similarly, in Türkiye, the legal definition of crypto-assets has been set out quite clearly through the legal regulations adopted in 2024. Within the framework of Law No. 7518, crypto-assets are defined as intangible assets created using distributed ledger technology or a similar technology, distributed on digital networks, and capable of expressing value or rights ([Law Amending the Capital Markets Law](#)). This definition is closely aligned with MiCA, which means that the approach of Türkiye is consistent with the international regulatory trend.

3.2. *Types of Crypto-Assets*

Crypto-assets are divided into various categories on the basis of their legal and economic characteristics. The MiCA Regulation divides these assets into three main groups. The first category is that of electronic money tokens (EMTs). These assets act as a means of payment by linking their value to a single fiat currency. The second category is asset-referenced tokens (ARTs). These assets aim to offer value stability linked to multiple currencies, commodities, or other crypto-assets. The third category is that of crypto-assets that do not fall within either of these two categories, in which case common cryptocurrencies such as Bitcoin and Ether qualify for inclusion in this group ([MiCA](#)).

In addition, different classifications are made in practice according to the purpose of use. Utility tokens are used to gain access to a particular platform, whereas security tokens can be used to obtain rights similar to those associated with traditional financial instruments. Some such assets are outside the scope of MiCA because they qualify as financial instruments and are therefore subject to different regulations ([ESMA, 2024](#)).

Stablecoins, on the other hand, occupy a special position in the crypto-asset ecosystem. These assets, which usually peg their value to a fiat currency, are particularly significant when compared with the traditional monetary system in terms of payment and value transfer. Stablecoins, in particular USDT and USDC, have achieved a substantial scale in terms of market volume and have begun to be widely used in global financial transactions ([ESRB, 2025](#)).

3.3. *Global Use Cases and Purposes*

The global use of crypto-assets reveals a multidimensional structure. The first and most common application is speculative investment and the storage of value. Assets such as Bitcoin and Ether are commonly used as investment instruments because of their price volatility and their potential to gain or lose value on the basis of market factors. This suggests that crypto-assets are diverging from their original vision as a means of payment and are becoming increasingly speculative financial instruments ([BIS, 2025b](#)).

The second important use case is cross-border payments and money transfers. Stablecoins in particular provide low-cost and fast transfers, making them an alternative to traditional banking systems. This is also important in terms of financial inclusion and makes it possible for crypto-assets to function as an alternative financial instrument, especially in developing countries (BIS, 2025a).

The third use case is decentralized finance, or DeFi, applications. Through smart contracts, it is possible to execute transactions such as lending, borrowing, and the provision of liquidity without relying on traditional financial intermediaries. However, the fact that this system is not yet regulated in its entirety brings with it significant risks (ECB, 2019). In addition, crypto-assets occupy an important place in discussions of tax transparency and financial traceability. The Crypto-Asset Reporting Framework (CARF) developed by the Organisation for Economic Co-operation and Development (OECD) has become an indicator of the need for regulation in this area (OECD, 2024).

Finally, the tokenization of real-world assets is gaining increasing importance. This refers to the process of converting real estate, bonds, and other financial instruments into digital representations, thereby helping to speed up investment processes and making assets accessible through fractionalization. This development is an important part of the transformation of the financial system from a structural perspective (BIS, 2025b).

3.4. *Risks of Crypto-Assets*

While there are substantial opportunities associated with crypto-assets, there are also a number of risks. One of these is their high volatility. The fact that the prices of crypto-assets fluctuate substantially within a short period of time creates uncertainty for investors. Additionally, issues including market manipulation and lack of transparency constitute a significant threat to financial stability (FSB, 2023).

Another important area of risk is money laundering and terrorist financing. Reports published by the FATF show that regulatory compliance within the crypto-asset sector is still far from satisfactory, and that supervision challenges exist, particularly in cross-border transactions (FATF, 2025).

Furthermore, the rapid growth of the stablecoin market introduces new risks to the financial system. If stablecoins gain widespread use, the destabilization of their value can have a domino effect on the financial system (ESRB, 2025). International organizations stress that crypto-assets are still not currently at the scale of a systemic crisis, but they remain an area that needs to be closely monitored because of their rapid development. Especially in times of rising

global uncertainty, the influence of these assets on financial stability may become more evident (IMF, 2025a).

It is apparent that the risks in crypto-asset markets are not limited to investor behaviour at the micro level, but have also expanded into an area of concern in terms of macro-level financial stability. Recent studies conducted by the European Central Bank reveal that the connections between crypto-asset markets and the traditional financial system are increasing, and that this interaction is becoming more visible, especially through investment products, fund structures, and financial intermediaries. This situation lends further weight to the possibility that sudden depreciation or liquidity shocks occurring in the field of crypto-assets may spill over into traditional financial markets through indirect channels. In particular, the fact that multifunctional crypto-asset platforms operate, within the current regulatory environment, as transaction intermediaries, custody service providers, and investment product providers can lead to an intensification of risks and an increase in systemic effects. Therefore, when assessing the role of crypto-assets in the financial system, attention should be paid not only to individual investor risks, but also to systemic risks arising through market structure and financial linkages (ECB, 2024).

4. Use of Crypto-Assets in International Money Transfers and Swap Transactions

4.1. *Vulnerabilities of the Current System*

The correspondent banking system, on which international money transfers are still largely based, has long formed part of the basic structure of the global financial architecture. However, this system gives rise to significant problems, particularly from the perspective of speed, cost, transparency, and accessibility. The fact that messaging, settlement, and clearing transactions are often carried out through disconnected infrastructures leads to increased processing times and creates a multi-layered cost structure. Differences in working hours, public holidays, regulatory requirements, and banking practices across jurisdictions also result in delays and operational risks in cross-border payments. Accordingly, while the current structure continues to function for high-volume and institutional transactions, it is increasingly criticised, particularly against the backdrop of expectations of a fast, low-cost, and continuously available payment ecosystem. Indeed, it has been emphasized that a typical cross-border payment involves a chain structure with more than one intermediary bank, operating through nostro and vostro accounts, and that in this process only record changes in connection with account balances are transferred, rather than physical value moving directly from one party to another (BIS, 2025b).

Another important dimension of this structure is the foreign-exchange market, and particularly FX swap transactions. FX swap markets play a central role in meeting short- and medium-term liquidity needs in different currencies and are of great importance for the continuation of cross-border investment relations. Investors, banks, funds, and other financial institutions use these markets extensively for risk management, especially for currency risk, and for temporary access to particular currencies. Current data indicate that the gross notional value of foreign-exchange derivatives, including forward foreign-exchange positions and exchange-rate swaps, reached USD 111 trillion by the end of 2024. More remarkably, this field is no longer merely an interbank market: funds, insurance companies, pension funds, and other non-bank financial institutions have also become a rapidly growing group of participants. In particular, the segment represented by non-bank financial institutions has almost tripled since 2009, illustrating the extent to which the global financial system has become complex and interconnected (BIS, 2025a).

This picture makes clear that the current system is not only complex but, in some respects, also fragile. Because messaging systems, clearing infrastructures, liquidity management, and regulatory obligations are closely interrelated, yet do not operate within one integrated structure, cross-border investment transactions tend to be associated with high transaction costs, delays, dependence on intermediaries, and difficulties in monitoring transactions. For this reason, central banks, international organizations, and financial technology developers are moving towards the development of more efficient and safer alternatives without entirely removing the current system. This is precisely the central reason for the discussion of crypto-assets and tokenization-based structures in general: not to replace the existing system immediately, but to find solutions to some of the structural problems that it generates (BIS, 2025a; IMF, 2025a).

4.2. The Role of Crypto-Assets in Cross-Border Flows Today

The role of crypto-assets in cross-border financial flows today is not one-dimensional. These assets are used, in some cases, as speculative investment instruments; in others, as payment and transfer channels; and in yet others, as alternative financial instruments for overcoming the limits of capital control and financial regulation. Therefore, when evaluating the movement of crypto-assets between countries, it must be borne in mind that different economic motivations may coexist within the same dataset. An empirical study examining the flows of Bitcoin, Ether, USDT, and USDC across 184 countries found that speculative motives and global financing conditions were dominant in the cross-border movements of large crypto-assets; by contrast, transactional

motives were found to be stronger in stablecoins and in small-value Bitcoin transfers. The relationship between stablecoin flows and countries with high remittance costs also suggests that crypto-assets may indeed function as alternative transfer channels in certain remittance corridors (Auer et al., 2025).

This is important for understanding the place of crypto-assets in the global financial system. Whereas large-volume and highly volatile crypto-assets often follow classical investment behaviour, characterised by return-seeking and speculation, stablecoins and small transfers are used more frequently in connection with everyday financial transactions, the need for a store of value, or practical ease of transfer. This distinction demonstrates that there is no single answer to the question whether crypto-assets are used in cross-border payments. More accurately, some crypto-assets, and especially certain types of stablecoins, make a limited but growing contribution to payment and transfer infrastructure in particular geographies and categories of transaction.

Procedural difficulties in measuring stablecoin flows also complicate assessments in this area. There is not always a one-to-one correspondence between on-chain data and actual economic transfers; exchanges, custody structures, cross-platform migrations, and netting mechanisms all complicate the measurement of true economic movement. Therefore, it is not sufficient merely to examine the number of transactions recorded on a blockchain in order to understand the extent to which stablecoins are used in international money transfers. An IMF working paper that seeks to measure stablecoin flows more accurately proposes a new methodology for bridging the gap between on-chain data and real-money flows between exchanges, and reveals findings suggesting that stablecoins can be used to circumvent restrictions, especially in countries that impose capital controls. This conclusion indicates that crypto-assets should be considered not only for their financial inclusivity and ease of transfer, but also as tools that can erode the regulatory environment (Reuter, 2025).

The observations of central banks support this picture. A 2024 survey of 93 central banks indicates that stablecoin usage remains limited when compared with traditional payment systems. However, the same study notes that, in domestic wholesale payments, retail payments, and cross-border retail payments, approximately 20% of central banks report significant stablecoin usage. While this rate may appear low, the increasing visibility of stablecoin-based use, particularly in emerging economies, suggests that this area is no longer marginal. Therefore, the role of crypto-assets today should not be exaggerated; however, nor should it be dismissed as entirely insignificant. The current trend is that crypto-assets are not replacing the classical monetary system, but are beginning to function as complementary and alternative tools in certain cross-border transactions ((Illes et al., 2025).

4.3. *Tokenization and Next-Generation Correspondent Banking*

To understand the potential of crypto-assets in cross-border financial transactions, it is necessary not only to examine their current use, but also to follow the infrastructural transformation they may enable in the future. At this point, the concept of tokenization becomes particularly relevant. Tokenization is the process of converting money, securities, or other assets into digital forms and storing transactions involving them on blockchain or other distributed ledger infrastructures. In this way, financial transactions could be conducted in a manner that is not only faster, but also more integrated and programmable. Tokenization, therefore, does not result merely from creating a new mode of investment; rather, it has the potential to re-engineer payment, clearing, collateral-management, and settlement processes.

In this respect, the “unified ledger” approach developed by the BIS has been advanced as a new model for overcoming the fragmented structure of the current correspondent banking system. According to this model, tokenized central-bank reserves, tokenized commercial-bank money, and tokenized financial assets can be brought together on the same infrastructure, and transactions can be concluded in an atomic – that is, simultaneous and inseparable – structure. The theoretical advantage of such a system lies in the reduction of time losses and transaction costs caused by the traditional separation of messaging, settlement, and clearing processes. The simplification of the complex chain of cross-border payments, which currently depends on multiple intermediaries, different data formats, and different working hours, could represent a significant innovation, especially for international investment and capital movements (BIS, 2025b).

This vision has not remained at a purely theoretical level; it has been supported by various projects and pilot applications. Project Agora brings together central banks and private-sector actors to examine how tokenized currencies can operate in cross-border payment infrastructure. Project Mandala, by contrast, focuses on automating compliance checks and regulatory requirements in cross-border transactions with the assistance of smart contracts. Both projects seek to address issues considered to be among the primary causes of problems in the current system, including high costs, compliance delays, and transaction fragmentation. The shared logic underlying these projects is the possibility that cross-border finance may evolve into a more programmable, traceable, and synchronous infrastructure (BIS, 2025b).

Similarly, central bank digital currencies (CBDCs) have been viewed as tools capable of transforming cross-border payment systems, especially in the field of wholesale usage. Although retail CBDC projects are more visible in public

debate, the most striking area from the perspective of international investment and financial market infrastructures is wholesale CBDC applications. This is because such tools have the potential to create more secure and direct settlement mechanisms between banks and financial institutions. Nevertheless, important issues remain unresolved in areas including technical infrastructure, governance, data sharing, jurisdictional conflicts, and legal validity. Therefore, tokenization- and CBDC-based cross-border payment architectures do not represent a complete transformation in the short term; rather, they point to the possibility of medium- and long-term structural change (IMF, 2025b).

4.4. Can Stablecoins Pass the Monetary System Test?

At the core of the debate concerning the future role of crypto-assets in cross-border transactions are stablecoins. Stablecoins are often presented as a structure claiming price stability in contrast to volatile crypto-assets, and they are frequently pegged to a particular fiat currency. Because of these features, they are commonly regarded as the most functional type of crypto-asset in the context of cross-border transfers and payment systems. However, the ease with which an asset can be transferred does not mean that it has become a reliable component of a monetary system. At this stage, the tripartite test put forward by the BIS – namely singleness, elasticity, and integrity – offers an important criterion for assessing the systemic adequacy of stablecoins (BIS, 2025b).

From the perspective of singleness, one of the principal purposes of a monetary system is that currencies with the same nominal value are exchanged at the same value. Stablecoins do not fully meet this criterion, since they do not have a final settlement mechanism based on central-bank reserves. Especially in secondary markets, deviations from parity may occur, as may deviations between different stablecoins or between the prices of the same stablecoin in different markets. In terms of elasticity, the issuance structure of stablecoins is not analogous to the credit-creation and balance-sheet expansion capacity that exists within the banking system. Since new issuance is, in most cases, based on a logic of full reserves, it is not possible to create money flexibly in accordance with the needs of economic activity. As regards integrity, the absence of know-your-customer (KYC), customer due diligence, transaction monitoring, and sanctions compliance in public blockchain structures renders stablecoins more problematic from the perspective of money laundering, proceeds of crime, and illicit transfers. For these reasons, stablecoins are regarded not as instruments capable of providing the backbone of the monetary system in their current form, but rather as complementary elements with limited functions (BIS, 2025b).

However, stablecoins are not entirely without utility. In particular, in some countries where access to banking services is limited, remittance costs are high,

and the tendency towards dollarization is strong, stablecoins can be used as practical means of value transfer. What is especially interesting is that stablecoins often gain strength where the existing system is weak, rather than at the centre of the system. This makes them hybrid financial structures that must be managed under conditions of risk, rather than instruments that should simply be banned. Evaluations at the European level also suggest that the issuance of US dollar-denominated stablecoins outside the European Union, and their use by users within the European Union, may give rise to serious concerns in terms of supervision and monetary sovereignty (ESRB, 2025).

4.5. *The Intersection of FX Swaps and Crypto*

In order to assess the significance of crypto-assets within the framework of transboundary investment, it is also necessary to refer to their indirect relationship with FX swap markets. FX swap markets are among the most important mechanisms enabling access to different currencies, facilitating liquidity management, and helping to balance currency risk for market participants. However, most of these markets appear to be off-balance-sheet and cannot be adequately monitored within the traditional statistical framework. As a result, the real volume and structure of cross-border investment flows often appear narrower than they actually are. This invisibility has made it difficult to measure global financial risks accurately. Current assessments of FX swap markets show that data tracked under the OFI category are becoming increasingly important for understanding portfolio investment and liquidity movements (BIS, 2025a).

The connection between crypto-assets and FX swaps largely revolves around the use of stablecoins as digital representations of particular fiat currencies. The cross-border movement of a stablecoin often resembles the cross-border movement of the digital carrier of that fiat currency in terms of its economic consequences. Therefore, the use of stablecoins can have indirect but serious implications for exchange-rate regimes, capital controls, national monetary policy, and financial regulation. Particularly in economies with capital controls, the fact that stablecoins provide a channel for value transfer outside official foreign-exchange markets represents a key challenge from the perspective of public authorities. Empirical findings indicate that some capital-control measures, rather than curbing crypto-flows, may under certain conditions actually promote them. This result shows that crypto-assets are not only new technologies, but also alternative financial channels capable of operating within existing monetary and capital-management regimes (Auer et al., 2025).

Overall, the current role of crypto-assets in cross-border money transfers and swap-like financial transactions remains limited, but their future role is not

trivial. In particular, stablecoins, tokenization, and wholesale digital-currency projects may play a role in redesigning cross-border financial transactions in terms of cost, speed, and programmability. However, the realization of this potential depends not only on technical innovation, but also on legal validity, regulatory compliance, financial stability, and institutional trust. Therefore, although it cannot be said in the short term that crypto-assets will replace the current system, it can be said that they have become complementary instruments that must be taken into account in the transformation of international investment infrastructure.

5. Regulatory Framework for Crypto-Assets in Türkiye

The regulatory framework concerning crypto-assets in Türkiye has taken shape within a relatively short period of time, but in a highly intensive and gradual manner. The first significant step in this process was the Regulation on the Non-Use of Crypto-Assets in Payments, published by the Central Bank of the Republic of Türkiye in April 2021 ([Türkiye Cumhuriyet Merkez Bankası, 2021](#)). Under that regulation, the use of crypto-assets as a direct means of payment was prohibited; in addition, payment institutions and electronic-money institutions were restricted from acting as intermediaries for the transfer of funds to crypto-asset platforms. This approach indicates that Türkiye's initial response to crypto-assets was not strictly prohibitive, but rather aimed at limiting systemic risks.

The factors emphasized by the Central Bank in justification of this regulation included the decentralized nature of crypto-assets, their high price volatility, and their anonymity features. It was considered that these characteristics could potentially increase the risks of money laundering and terrorist financing, and could also weaken the security of payment systems. In this context, it can be said that Türkiye initially preferred to establish a controlled area by keeping crypto-assets outside payment systems, rather than pushing them entirely out of the financial system.

Following this first restrictive approach, Türkiye moved towards a more comprehensive and institutionalized regulatory model. The most significant event in this transformation was the adoption of Law No. 7518 amending the Capital Markets Law, published on 2 July 2024 (Law No. 7518, 2024). By virtue of this regulation, crypto-asset service providers were granted explicit legal status for the first time and brought within the regulatory and supervisory authority of the Capital Markets Board (CMB). Thus, the crypto-asset market in Türkiye came to be governed within a special regulatory field that is neither part of the banking system nor entirely unsupervised.

5.1. *Basic Regulations of Law No. 7518*

Law No. 7518 is a framework regulation determining the basic principles for the institutionalization of the crypto-asset market in Türkiye. Under this law, crypto-asset service providers are required to obtain authorization from the CMB in order to conduct their operations; thus, a licence-based structure has been established in the sector. This is considered an important step in limiting unregistered and unsupervised activities.

Another significant regulation introduced by the law concerns the security of technological infrastructure and information systems. Accordingly, service providers are required to possess infrastructure that complies with the technical criteria to be identified by TÜBİTAK. This approach makes clear that not only financial, but also technical, security has become part of the regulatory environment for the crypto-asset market.

Additionally, the provisions for protecting customer assets are of particular importance. It has been made mandatory that cash and crypto-assets belonging to customers must be kept separate from the assets of service providers, and that cash assets must be held in banks. The purpose of this regulation is to protect investors, particularly in cases of insolvency or operational risk. In addition, the fact that crypto-asset custody services may be provided only through authorized institutions represents another important step towards making the market structure more controlled and secure.

The CMB further elaborated this framework through the communiqués published on 13 March 2025 under the authority conferred by the law. In particular, Communiqué No. III-35/B.2 ([Sermaye Piyasası Kurulu, 2025](#)) regulates in detail the listing criteria for crypto-assets, principles concerning the execution of customer orders, provisions regarding hot and cold wallets, and capital-adequacy obligations. These regulations indicate that the crypto-asset market in Türkiye is not merely identified, but also regulated at the operational level.

However, the CMB's announcement of 2024 ([Sermaye Piyasası Kurulu, 2024](#)) also established a major transition period for crypto-asset service providers based outside the country. Under this arrangement, such organizations are required either to cease their activities in Türkiye within a specified period or to obtain a licence by complying with the relevant legislation. This regulation demonstrates that Türkiye has adopted a supervisory approach that encompasses not only domestic but also cross-border activities.

5.2. Türkiye's Compliance with International Standards

Türkiye's approach to crypto-asset regulation has been shaped within the framework of its efforts to comply with international standards. In particular, the standards defined by the Financial Action Task Force (FATF) and the Financial Stability Board (FSB) have become important benchmarks influencing the direction of regulation at the national level. Türkiye's decision to bring crypto-asset service providers within the scope of licensing and supervision can therefore be regarded as a significant step towards alignment with this international framework.

However, [FATF \(2025\)](#) show that the level of compliance existing in the virtual-asset sector on a global scale remains limited, and that many countries face difficulties in establishing effective licensing and supervisory mechanisms. In this context, the steps taken by Türkiye do not yet reflect a completed process of harmonization, but rather a continuing process of transformation. In particular, the effective implementation of practices such as the "Travel Rule" is critical for international integration.

On the other hand, the tax-transparency efforts of the Organisation for Economic Co-operation and Development with respect to crypto-assets also represent an important area of compliance for Türkiye. The Crypto-Asset Reporting Framework (CARF) envisages a system that would enable tax administrations to monitor crypto-asset transactions ([OECD, 2024](#)). The integration of this framework into national legislation is important both from the perspective of reducing the informal economy and of enhancing international information sharing.

Overall, Türkiye's regulatory approach towards crypto-assets, which initially took the form of a restrictive policy, has over time evolved into a supervised and institutionalized model. This model seeks not to prohibit crypto-assets completely, but rather to manage their risks within a controlled framework and to establish a market structure based on international standards. Nevertheless, it is equally clear that this process is not yet complete and remains open to further development, particularly in the areas of implementation, supervision, and international integration.

6. Crypto-Assets as Company Capital in the Context of International Investment

6.1. 6.1 Conceptual and Legal Framework

The question of the use of crypto-assets as company capital is not merely a matter of technical implementation, but also constitutes a fundamental area of

discussion in terms of company law, financial regulation, and the changing concept of asset value. Whether crypto-assets can substitute for cash or in-kind contributions in the establishment or capitalization of a company tests the flexibility of the classical concept of capital in relation to digital assets. In this context, the issue is not confined to the question whether such use is possible; it also includes the question under what conditions such use would be legally valid and economically sustainable.

From an international perspective, the uncertainty surrounding the legal nature of crypto-assets lies at the heart of this debate. [ESMA \(2024\)](#) and [FSB \(2023\)](#) assessments show that the classification of crypto-assets as financial instruments has a direct consequence for whether they may be regarded as capital elements. In particular, if crypto-assets giving rise to share-like rights are treated as securities, such assets are already digital versions of classical capital instruments and are therefore subject to a different legal regime. By contrast, assets such as utility tokens are subject to very different, and fragmented, legal evaluations depending on the nature of the rights they provide.

6.2. *Evaluation within the Framework of Turkish Law*

Under Turkish law, company capital is regulated through the distinction between cash and in-kind capital within the framework of the Turkish Commercial Code. In order for an asset to be accepted as in-kind capital in joint-stock companies, it must have economic value, be transferable, and be free of any legal obstacle restricting its contribution. At this point, it may be said that crypto-assets theoretically satisfy the criterion of value measurable in money. However, the issue is not limited to the element of value alone.

One of the most significant problems concerning the acceptance of crypto-assets as in-kind capital is the valuation and registration process. Under Turkish law, where in-kind capital is contributed, the asset must be valued by court-appointed experts and registered in the trade registry on the basis of that valuation. The high volatility of crypto-assets, and the fact that their prices may vary across different platforms, makes the reliability of such valuation questionable. In addition, the lack of clarity between the technical transfer of crypto-assets on a blockchain and the transfer of legal ownership creates a further uncertainty.

When Law No. 7518 (2024) and the CMB regulations are examined, it becomes apparent that crypto-assets are primarily considered as objects of investment and service activity. These regulations define the activities of crypto-asset service providers; however, they do not contain an explicit provision concerning the use of crypto-assets as company capital. This situation has a twofold

consequence: on the one hand, there is no explicit prohibition, and on the other, there is no explicit permission capable of providing legal certainty. Therefore, under the current legal framework, the acceptance of crypto-assets as in-kind capital in the establishment of a company remains theoretically arguable, but in practice it involves serious legal and technical obstacles.

6.3. *Comparative Law Perspective*

When the European Union's regulations are analysed, it becomes clear that MiCA is a comprehensive piece of legislation governing matters involving crypto-assets, but it does not contain a direct provision concerning the use of such assets as company capital. This demonstrates that a similar regulatory gap exists at the level of EU law. [ESMA \(2024\)](#) suggest that crypto-assets, in particular those classified as security tokens, would already be covered by the existing capital-market regime if they are considered securities. In that case, the debate shifts from the question whether crypto-assets can constitute capital to the question which crypto-assets already qualify as capital instruments.

In United States law, a less rigid and more pragmatic approach appears. In some states, crypto-assets are classified as intangible assets, with the result that they may be included in balance sheets. However, under accounting standards, crypto-assets are generally treated as intangible assets or, in some cases, as inventory. This classification gives rise to serious difficulties, particularly with respect to fair-value measurement and impairment testing. Owing to the high levels of volatility involved, this may lead to substantial fluctuations in company balance sheets. This suggests that the use of crypto-assets as capital should be evaluated not only from the legal perspective, but also in light of financial stability.

6.4. *Opinion and Evaluation*

For crypto-assets to be used as company capital, three basic conditions would need to be fulfilled simultaneously. First, there must be legal admissibility: the crypto-asset must be accepted as a legitimate capital element under the company law of the relevant jurisdiction. Secondly, valuation reliability is essential: the asset contributed as capital must have an objective and verifiable market value at the time of registration. Thirdly, regulatory approval is required; in other words, the competent authorities must expressly or implicitly accept such a capital contribution.

At present, it cannot be said that these three conditions are met together, especially in Türkiye. The legal environment remains unclear, valuation methods are not yet sufficiently reliable, and the regulatory approach remains cautious.

For this reason, the use of crypto-assets as direct company capital is far from being a viable method under the current system.

However, it is equally clear that this picture is not static. With the institutionalization of the crypto-asset market, the adaptation of accounting standards to these assets, and the clarification of the regulatory framework, it is possible that transformation may occur in this field. [IMF \(2025b\)](#) recommends that the digital representation of assets and capital structures may change, especially with the development of central-bank digital currencies and tokenization processes. In this context, tokenized shares and digital capital instruments may emerge as alternative or complementary models to the traditional capital structure.

In conclusion, the issue of using crypto-assets as company capital is, for the most part, a theoretical debate today within the framework of Turkish law. However, this debate offers important insights into the future of the digitalized financial system. Therefore, the issue should be viewed not merely in the context of existing legislation, but also as part of the evolving financial architecture. This discussion is especially relevant in the context of international investment, as the recognition of crypto-assets as company capital could have a direct impact on cross-border investment structures and capital formation.

7. Conclusion

This study examined the relationship between international investment and crypto-assets within a holistic framework encompassing its economic, technological, and legal dimensions. The findings show that the global investment system continues to undergo a process of digitalization, and that this is transforming not only the financial instruments used, but also the infrastructure of investment itself. Although there is a general trend of contraction in international investment flows, the increasing importance of the digital economy and data-based investment demonstrates that capital is changing direction.

Crypto-assets emerge as one of the most significant elements of this transformation. Although regulations such as MiCA and Law No. 7518 in Türkiye have placed the legal definition and classification of these assets within a certain framework, the nature of crypto-assets remains function-based and fragmented. This means that the same asset may be subject to different regulatory regimes depending on the purpose for which it is used, and this does not fully eliminate legal uncertainty.

When considered from the perspective of cross-border financial transactions, it is apparent that crypto-assets play a complementary role in certain areas rather

than constituting a structure capable of replacing the existing system. Stablecoins, in particular, offer practical advantages in terms of transfer costs and transaction speed. However, because such assets cannot fully satisfy the basic functions of a monetary system, such as singleness, flexibility, and integrity, they cannot be placed at the centre of that system. By contrast, the tokenization-based unified-ledger approach introduced by the BIS appears to offer a more integrated and sustainable model for transforming financial infrastructure into a programmable structure.

In the case of Türkiye, it is evident that the regulatory approach to crypto-assets has changed dramatically within a short period. At the first stage, a restrictive policy was followed in relation to payment systems, whereas Law No. 7518 and the CMB regulations later established a structure based on licensing and supervision. This model does not seek to prohibit crypto-assets entirely, but rather to manage risks within a framework of systematic control. At the same time, it remains equally clear that regulatory gaps persist in areas such as tax transparency, international data sharing, and decentralized finance practices.

The issue of using crypto-assets as company capital is one of the most outstanding questions in the current system. The absence of a clear and established framework on this matter in Turkish law and in international regulations means that such a practice would involve serious uncertainty in practice. In particular, limitations in valuation reliability, legal admissibility, and regulatory approval restrict the use of crypto-assets as direct capital elements at this stage. However, the development of tokenization processes and the spread of digital capital instruments indicate that this field may undergo transformation in the medium and long term.

The principal conclusion that may be drawn from this study is that crypto-assets are positioned not as alternatives capable of replacing the existing international investment system, but rather as instruments that are changing that system and complementing it in certain respects. However, this transformation is not a process in which technological innovation alone is decisive. The clarification of legal regulations, the standardization of accounting practices, and the continuation of institutional trust underpinning the financial system will all be decisive for its sustainability.

As a result, while crypto-assets currently play a limited but growing role in the financial system, they also have the potential to occupy a more central position in the financial architecture of the future. For this reason, both academic studies and regulatory policies should adopt a dynamic rather than a static perspective, capable of adapting to a rapidly evolving process of change. Therefore, while crypto-assets may not yet be able to function fully as stable instruments within

international investment frameworks, their emerging role represents a developing layer of finance that may become more significant in the future.

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