



Crypto Stocks: How Ukraine Crisis Could Affect Cryptocurrency

Description

Cryptocurrency hasn't been left out of the recent Ukraine crisis. Headlines this week announced that many have been using digital assets to donate to Ukraine, up to US\$34 million this week alone. But it's not all good news, especially for crypto stocks.

What happened

Crypto stocks remained relatively stagnant this week as the Ukraine crisis continued. It shows that investors don't know what to think as cryptocurrency takes a spotlight for the first time in its involvement with the war.

There are two sides to this for **Bitcoin** ([CRYPTO:BTC](#)). On the one hand, as noted, [investors](#) are able to use their cryptocurrency to help support humanitarian efforts in both Ukraine and Russia. But on the other, some experts worry that crypto stocks could be used to bypass sanctions. Furthermore, it could potentially be used by Russian oligarchs to access their frozen assets.

Why crypto?

Crypto stocks like Bitcoin are decentralized, and that means government agencies really don't have all that much control over them. Given this, the concern that bypassing sanctions or allowing oligarchs to access their cash is a serious concern. It could very well remove the effectiveness of sanctions imposed on the country.

In fact, as the Ukraine crisis continues, some have called on crypto stocks to cease their trading with Russian accounts for both citizens and oligarchs. But that could also cause more harm than good.

While some continue to impose these sanctions and restrictions on those identified by governments as controlled by Moscow, there are other concerns. A main one is that a full ban in Russia could indeed harm Russian citizens.

Unlikely to hurt sanctions

Meanwhile, analysts have now started seriously considering whether crypto stocks could be used to hurt Russian sanctions. And frankly, it seems unlikely. While Bitcoin and other crypto stocks continue to soar in use, they're still *far* outweighed by normal trade volume. Therefore sanctions will continue to seriously hurt Russia, especially as United Nations countries condemn the Ukraine crisis and more sanctions come in place.

There's also the concern the crypto stocks could be used to hide Russian cash. However, forensic accountants are now able to trace account conversions effectively. And anything sketchy is likely to be frozen.

More good than bad

It's another enormous turning point for crypto stocks, and something investors should watch closely. In the next few months, the Ukraine crisis could bring to the forefront how cryptocurrency can be used for good, and for bad.

For now, it seems that as millions of Ukrainians flee the [conflict](#), crypto stocks remain on the side of good. Not only is it being used for donations, but Ukrainians can pop their cash in their wallets and access it from anywhere in the world. That certainly is a benefit for refugees needing to keep cash safe.

But that also goes for Russians needing access to cash as President Vladimir Putin threatens its own citizens. Therefore the blanket ban could certainly hurt those needing access to their funds, and threaten it being taken from them as the ruble drops.

Bottom line

Crypto stocks may remain stagnant, and it's unclear whether it is now a good [investment](#) or not. But as for the risks, it seems that cryptocurrency remains a safe place to put cash. That's whether you're looking to donate, a refugee fleeing the Ukraine crisis, or as government sanctions continue.

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Date

2025/07/06

Date Created

2022/03/05

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