**Regulatory Asymmetries in Cryptocurrency Governance: Implications for Sanctions Evasion**

The rise of cryptocurrencies has introduced new dynamics in the global financial and geopolitical landscape, shaping both economic opportunities and security challenges. Among these challenges, cryptocurrencies have become strategic instruments for circumventing sanctions, exploiting their decentralized nature and regulatory fragmentation. The absence of a cohesive, multilateral regulatory framework has led to significant asymmetries between sanctioning and sanctioned states, creating vulnerabilities that can be leveraged for geopolitical advantage. This paper investigates how regulatory environments in sanctioned states influence the use of cryptocurrencies for sanctions evasion, employing a comparative case study of two sanctioned and two sanctioning jurisdictions. It develops a framework that examines key variables such as the strictness of regulatory requirements, cryptocurrency adoption levels, documented cases of sanctions evasion, regulatory countermeasures, and the overall effectiveness of enforcement. Preliminary findings indicate that sanctioned states strategically exploit regulatory gaps to sustain financial connectivity while sanctioning states struggle with the extraterritorial enforcement of crypto-related sanctions. This research contributes to broader debates on digital sovereignty, global governance, and cyber-enabled financial strategies, highlighting the need for enhanced multilateral coordination in regulating cryptocurrencies. Within the broader context of international security, this study underscores the role of regulation as a tool for power, shaping state capabilities and influence in the evolving digital economy. By highlighting these dynamics, the research seeks to inform policymakers, scholars, and practitioners about the complexities of cryptocurrency regulation and its impact on the effectiveness of international sanctions.