ABSTRACT　FORM

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Paper title	Do Cryptocurrency Sanctions Work? Evidence from Russia's 2022 Restrictions
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Abstract	This paper examines how platform-level cryptocurrency sanctions affect trading activity and market quality. In response to the Russia–Ukraine war, the European Union imposed crypto sanctions on Russia, implemented by Binance in April 2022. Using a difference-in-differences design with separate indicators for war outbreak (February 24, 2022) and sanctions implementation (April 21, 2022), we analyze daily trading data for ten large-cap cryptocurrencies. Our identifying variation comes from the post-sanctions break. Sanctions implementation yields a large and highly significant decline (−1.04 to −1.48 across specifications, all $p < 0.001$), representing a 65–77% reduction relative to the pre-war baseline. In dollar terms, this represents approximately $14 billion in displaced annualized trading volume. Evidence of substitution to alternative venues or fiat rails is economically incomplete. Overall, platform-level crypto sanctions can substantially reduce targeted fiat trading activity, with timing evidence more consistent with an implementation-date mechanism than with purely war-driven evolution.

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