

## HIGH-RISK EXCHANGE PROFILE

# Bitpapa

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**Entity type:**

Cryptocurrency exchange

**Founder:**

Unknown

**Year established:**

Unknown

**Base of operations:**

Registered in the United Arab Emirates

**Volume:**

USD 695 million at the time of publication

**Sanctions details:**Yes: OFAC (March 2024), Ukraine (July 2025),  
UK FCDO (May 26, 2026)

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## Background

Bitpapa is a UAE-registered peer-to-peer cryptocurrency exchange that has served as a ruble-onramp for Russian nationals seeking access to crypto markets outside the domestic banking system. Registered as Bitpapa IC FZC LLC in a UAE free zone, the platform combines a custodial exchange with a peer-to-peer marketplace allowing users to transact with minimal verification requirements. Bitpapa also operates a Telegram bot that enables cryptocurrency exchange entirely outside AML and KYC controls, extending access to users in sanctioned jurisdictions who cannot or will not use regulated platforms.

TRM flagged Bitpapa as high-risk prior to its first sanctions designation on the basis of substantial on-chain exposure to designated Russian entities. The exchange is distinguished by being the subject of three separate national sanctions designations — OFAC in March 2024, Ukraine in July 2025, and the UK FCDO in May 2026 — a pattern that reflects both the limits of unilateral enforcement against a globally registered P2P platform and the emerging multilateral response to Russia-linked crypto infrastructure.

## On-chain connections to sanctioned entities

Bitpapa has direct on-chain exposure to several of the most significant sanctioned entities in the Russian-speaking illicit crypto ecosystem. TRM analysis identified direct transaction flows

between Bitpapa and OFAC-designated Hydra Market — the largest Russian-language darknet marketplace prior to its April 2022 takedown — and Garantex, the Russia-based exchange sanctioned by OFAC in April 2022 for its role in ransomware and darknet market payment flows.

TRM also documented Bitpapa's on-chain connections to sanctioned cryptocurrency mixer Sinbad and Bitzlatto, which was the subject of a FinCEN Section 311 action in January 2023. Bitpapa operated alongside NetEx24, a Moscow-based non-custodial fiat-to-crypto exchange sanctioned in the same March 2024 OFAC action. Both platforms used Telegram bots to facilitate exchange without AML or KYC controls, making them complementary services within the broader Russian crypto evasion ecosystem. TRM has also observed Bitpapa's on-chain connections to OXProcessing, a Russia-linked payment processor with over USD 100 million in exposure to sanctioned counterparties.

TRM has recorded USD 695 million in total volume for Bitpapa, with USD 30 million in direct incoming volume from illicit entities. Following the March 2025 Garantex takedown, TRM observed continued Bitpapa activity consistent with its role as a ruble-onramp for Russian users displaced from Garantex's network.

## Law enforcement and regulatory response

In March 2024, OFAC designated Bitpapa under executive authority for Russia-linked sanctions evasion, citing its facilitation of millions of dollars in transactions with OFAC-designated entities including Hydra Market and Garantex. The designation was part of a broader action targeting Russian cryptocurrency exchanges and fintechs providing services to sanctioned Russian banks. Under Secretary of the Treasury Brian Nelson stated at the time that "Russia is increasingly turning to alternative payment mechanisms to circumvent US sanctions and continue to fund its war against Ukraine." TRM data showed that inflows to Bitpapa, NetEx24, and Cryptex — the three exchanges designated in the same action — fell an average of 82% within three months of the OFAC designation, though Bitpapa continued operating.

In July 2025, Ukraine sanctioned the same Bitpapa entity, bringing it under a second national sanctions regime. The Ukrainian designation reflected the broader multilateral effort to reduce Russia's access to cryptocurrency infrastructure following Garantex's March 2025 takedown.

On May 26, 2026, the UK Foreign, Commonwealth & Development Office sanctioned Bitpapa IC FZC LLC as part of an 18-entity designation package targeting Russia's illicit financial infrastructure and the A7 network. The continued operation of Bitpapa through two prior designations before the UK action underscores that entity-level sanctions require coordinated international reach to be fully effective. As of this profile's publication, Bitpapa has not been sanctioned by EU authorities.