

**Applying EU Anti-Money Laundering Regulations and De-risking Policy on  
Social Live Streaming Service Platforms and Live-Streamers**



**Student name** : Aditya Wahyu Febriyantoro  
**Student number** : 0923540  
**Supervisor** : Dr. Nikita Divissenko  
**Second reader** : Mr. dr. Bram Duivenvoorde

**Master Program in Law and Technology in Europe 2023-2024**

**Faculty of Law, Economics and Governance**

**Utrecht University**

## TABLE OF CONTENTS

TABLE OF CONTENTS.....	2
CHAPTER 1.....	3
1.1 Background.....	3
1.2 Literature Review.....	7
1.3 Research Question and Sub-Questions .....	8
1.4 Research Method.....	8
1.5 Structure.....	9
CHAPTER 2.....	11
2.1 Live Streamers and SLSS platforms as Subjects to EU Anti-Money Laundering Legislations.....	11
2.2 Live Streamers' Capacity and Impact as Subject to AML Rules and De- Risking Policy.....	23
2.3 SLSS Platforms' as Subject to EU AML Rules and Regulating Impact.....	35
CHAPTER 3.....	41
3.1 Self-Regulation of SLSS Platforms and Live Streamers .....	41
3.2 Regulating Specific Rules on Live Streamers .....	45
CHAPTER 4.....	48
BIBLIOGRAPHY .....	50

# CHAPTER 1

## Introduction

### 1.1 Background

Combination of infrastructure, markets, technology, methods, and application decentralizes current provision of financial services, and thus grows challenges for financial regulation.<sup>1</sup> Mixture between social and financial advancements is one example of the decentralization and raises questions for the existing financial regulation. As part of technology development, social media platforms are experiencing fast and important changes through the time. They are no longer just a medium where users create content equally, as the emergence of new players come to the attention of economy,<sup>2</sup> for instance content creator, live streamer, influencer, and gamer are seeking revenue by using social media as medium. Following the nexus between the development of social media and economy, fintech industry has drawn a lot of attention of policy-makers. Main issues discussed include how to best regulate new businesses and products that do not readily integrate into established financial regulations and are not as responsive to the established supervisory methods.<sup>3</sup> The global emphasis on financial inclusion has been accompanied by heightened awareness of anti-money laundering and countering the funding of terrorism (AML/CFT) frameworks as essential instruments for promoting stability and security goals and suppressing violent and criminal extremist behavior.<sup>4</sup> As results of the emphasis on AML/CFT, regulators are now paying more attention to the official and informal financial sectors, as well as global pressure on nations with limited resources to create and put into place efficient AML/CFT regimes.<sup>5</sup> Live streaming as one of social media activity which brings challenges to financial regulation. This activity involves live-streaming platforms and live streamers where they can obtain revenue from conducting live-streaming. This question raises whether this phenomenon could be employed within the existing

---

<sup>1</sup> Dirk A. Zetzche, Douglas W. Arner, and Ross P. Buckley, 'Decentralized finance' (2020), 6 Journal of Financial Regulation 2, p. 173-174

<sup>2</sup> Nikita Aggarwal et.al, '#Fintok and Financial Regulation' (2023), 54 Arizona State Law Journal, 333, p.334

<sup>3</sup> *Ibid.*

<sup>4</sup> Tracey Durner And Liat Shetret, 'Understanding Bank De-Risking and Its Effect on Financial Inclusion' (2015), Global Center on Cooperative Security, p.5

<sup>5</sup> *Ibid.*

financial regulation and supervisory methods. This thesis will specifically study live-streaming and find if this activity could fall under existing EU anti-money laundering regulation and de-risking policy.

With the release of Web2.0 in 2004, the first Internet revolution occurred. In the Web 2.0, world wide web are concentrated on end-user interoperability, usability, and user-generated content. Web 2.0 is also known as the participatory social web as social media platforms allowed their users to be both creators and consumers at the same time, thus enabling new types of engagement and cooperation.<sup>6</sup> José van Dijck distinguished four main categories of social media:<sup>7</sup>

1. "social network sites," which promote interpersonal communication;
2. "user-generated content," which encourages artistic expression and cultural engagement;
3. "trading and marketing sites," which target business exchanges or sales; and
4. "play and game sites," which gamify social interaction.

Similarly, Kuehl describes social media as websites and programs that let users engage in social networking or produce and share content.<sup>8</sup>

One of social media platforms known as Social Live Streaming Services, in short SLSSs, allow their users (live streamers) to broadcast themselves to everyone who wants to watch, all over the world. The streamer films himself with a camera, depending on the service, either on his mobile phone or from a webcam. The spectator sees everything what the streamers do in real time. This could involve listening to them, seeing their activity, going to a performance, or anything the streamers do at that precise moment.<sup>9</sup> While the streamers are on-air live, the user can communicate with them directly.<sup>10</sup>

---

<sup>6</sup> Barbara Guidi and Andrea Michienzi, 'SocialFi: Towards the new Shape of Social Media' (2022), 2022 ACM Sigweb Newsletter 5, p.5

<sup>7</sup> José Van Dijck, *The Culture Of Connectivity: A Critical History Of Social Media* 8 (2013).

<sup>8</sup> Heidi Frostestad Kuehl, 'Free Speech and Defamation in an Era of Social Media: An Analysis of Federal and Illinois Norms in the Context of Anonymous Online Defamers' (2015) 36 N. ILL. U. L. REV. 28, 33

<sup>9</sup> Fransisca Zimmer, Kaja J. Fietkiewicz, and Wolfgang G. Stock, 'Law Infringements in Social Live Streaming Services' (2017), Springer International Publishing, p.567 . doi: 10.1007/978-3-319-58460-7\_40

<sup>10</sup> Katrin Scheibe, Kaja J. Fietkiewicz, Wolfgang G. Stock, 'Information behavior on social live streaming services' (2016), 4 JISTP 2, p.06–20. doi:10.1633/JISTaP.2016.4.2.1

Consumers who watch live streamers' content can purchase tokens—alternative "virtual currencies"—and use those tokens to communicate with their favorite artists. Examples include YouNow's "bar" currency, which enables fans to buy premium gifts that help them further engage with and support broadcasters, and YouTube's Super Chat and Super Sticker, which allow fan messages to be highlighted when participating on live streams.<sup>11</sup> Guida and Michienzi distinct two categories of tokens—personal tokens and community tokens. Individuals establish personal tokens, which are typically exchanged for value exchange. These individuals are typically those with public profiles. Community tokens are typically utilized for membership and community purposes. These tokens are encouraging everyone to contribute by issuing tokens.<sup>12</sup> In context of live-streaming activity in SLSS, personal tokens are the type of tokens which being used. Consumer exchange their money into form of tokens, then use these tokens to reward/appreciate the streamers or draw the streamers' attention.

The SLSS Platforms pay the streamers with mediated revenue in the form of tokens.<sup>13</sup> These tokens are a type of digital ownership that enable for brands, influencers, and/or creators including streamers to monetize their creations and services.<sup>14</sup> For example, the virtual currency used by Bigo Live is called "Beans," and users can use real money to buy more Beans. A percentage of the Beans that viewers send you as virtual gifts goes toward paying us as a streamer. Understanding the various kinds of presents and their actual monetary worth is prominent. A "Diamond Ring" present is valued at \$49.99, yet a "Lollipop" gift is just worth \$0.99.<sup>15</sup> additionally, Bigo Live also charges a platform fee equal to a portion of our virtual gift revenue. Consequently, the streamer must link his Bigo Live account to a payment processor like PayPal or your bank account in order to exchange the virtual gift into actual money.<sup>16</sup> By reflecting from these schemes, we are able to see several transactions engaging in live-streaming activity in SLSS: Firstly, the consumers are exchanging their real money into tokens. Secondly, these tokens are used to pay/appreciate the

---

<sup>11</sup> Frithjof Michaelsen, Luena Collini *et.al*, 'The impact of influencers on advertising and consumer protection in the Single Market' (2022), Policy Department for Economic, Scientific and Quality of Life Policies Directorate-General for Internal Policies European Parliament, p.40

<sup>12</sup> Guidi and Michienzi (n 6), p.6

<sup>13</sup> Catalina Goanta, 'The New Social Media: Contracts, Consumers, and Chaos' (2023), 108 Iowa L. Rev. Online 118, p. 120

<sup>14</sup> Guidi and Michienzi (n 6), p.5

<sup>15</sup> <https://www.creatorinvestor.com/influencers-money/make-money-bigo-live> accessed on 13 February 2024

<sup>16</sup> *Ibid.*

streamer, and lastly, the streamer monetize the obtained tokens into real currency to the connected bank account on the SLSS.

Money laundering involves a complex process as it aims to disguise the origin and character of illicit funds in order to make them appear legitimate and subsequently make them transferable, tradable, and negotiable. Due to its complexity, there are various techniques of money laundering.<sup>17</sup> The internet is a desirable place for the practice of money laundering due to the vast amounts of money involved, the general lack of knowledge and confidentiality around it, and the prevalence of illicit conduct due to false identity or anonymity.<sup>18</sup> One type of money laundering is money muling. This type requires a person who gets money in their bank account from a third party and transfers it to another individual in cash or another form after receiving a commission.<sup>19</sup> Moreover, money mules facilitate the global transfer of payments for criminal syndicates while maintaining their anonymity.<sup>20</sup> The multiple transactions which involve real currency transformation into tokens for the consumers communicate with the streamers, and streamers' tokens monetization process create potential for money laundering activity. In addition, the anonymity and large number of SLSS' consumers makes it difficult to detect and distinguish between real consumers and money mules, and therefore this is obscuring the ownership of the real currency and obscuring the transaction flow in exchanging real currency into tokens. For instance, last year there was a case in Indonesia which exposed that online gambling businesses were using youtube live-streaming as a vessel for laundering their money.<sup>21</sup> They were using streamers reward method which pay/appreciate several gaming streamers in youtube live-streaming.<sup>22</sup> Considering those situations and reflecting on actual case that happened in Indonesia, social media platforms, especially SLSS and their streamers face risk of becoming a medium for money laundering practice.

The process whereby financial institutions sever ties with and close the accounts of customers deemed to be high risk is known as de-risking. Financial institutions

---

<sup>17</sup> Muhammad Subtain Raza, Qi Zhan and Sana Rubab, 'Role of Money Mules in Money Laundering and Financial Crimes a Discussion through Case Studies' (2020), 27 J Fin Crime 911, p.911

<sup>18</sup> Fausto Martin De Sanctis, 'Technology-enhanced methods of money laundering: Internet as criminal means' (2019), Springer, p. 1. doi: [https://doi.org/10.1007/978-3-030-18330-1\\_2](https://doi.org/10.1007/978-3-030-18330-1_2)

<sup>19</sup> Raza, Zhan and Rubab (n 17), p.912

<sup>20</sup> EUROPOL-Public Awareness and Prevention Guides, 2019

<sup>21</sup> <https://www.liputan6.com/tekno/read/5418472/kominfo-investigasi-streamer-mobile-legends-di-youtube-yang-disawer-situs-judi-online> accessed on 10 January 2024

<sup>22</sup> Online Gambling is prohibited by Indonesia National Laws, thus the money obtained from Online Gambling is considered as bad money.

choose to terminate their relationships with these high-risk clients rather than managing them, thereby reducing their own risk exposure and leaving their clients bank-less.<sup>23</sup> De-risking is considered as one of preventive measure against money laundering. As we discussed beforehand that live-streaming activity possesses risk for both live streamers and the platform, thus it is urgent to discuss further whether these actors in live streaming activity should fall under AML/CFT policies and become subject of de-risking policy. Despite its advantage, de-risking measure has several challenges especially in the growing financial sector and the uprising live streaming profession that enables multiple financial transactions relying upon payment and account service providers.

## 1.2 Literature Review

There are several studies regarding social media platforms in relation with financial transactions and content monetization. Catalina Goanta in her paper elaborated that content creators represent a new wave of the gig economy as user content is created and can be monetized. A new wave of social media business models known as "content monetization" gives content providers the opportunity to produce cultural content while making money from it.<sup>24</sup> She also pointed out that the business model of content creators which asks their followers to support them either by a mix of donations or rewards-based contributions are forms of crowdfunding. Therefore, this new kind of crowdfunding should be considered and fall within the scope of European crowdfunding regulation.<sup>25</sup> This thesis also elaborates about content monetization, however it will not focus on crowdfunding models and the regulations. This thesis mainly focuses on two specific nodes as follows:

1. Transaction on exchanging real money into tokens which being used to appreciate content creators in live-streaming activity;

---

<sup>23</sup> Durner and Shetret (n 5), p.3

<sup>24</sup> Catalina Goanta, 'Emerging Business Models and the Crowdfunding Regulation: Income Crowdfunding on Social Media by Content Creators', 2021.

<sup>25</sup> *Ibid.*

2. Tokens monetization process by streamers which related to Payment Service Provider or Banks. Furthermore, this thesis uses AML/CFT regulations and De-risking policy as base to discuss further.

Goanta's paper provides useful insight regarding content moderation in social media which begins from generating content or sharing thought purpose to become social commerce and content monetization and why this moderation should fall within scope of existing regulation (i.e crowdfunding regulation). However, the paper studied content monetization methods in general and focusses on crowdfunding regulation, while this thesis will study specifically on live streaming tokenization and content monetization with focus on Anti-money laundering regulations and De-risking policy.

### **1.3 Research Question and Sub-Questions**

This thesis focuses on discussing preventive measure of money laundering in SLSS platforms and protection on live streamers from becoming a medium of money laundering activity as they receive virtual currency and will monetize it. I will discuss on how the EU Anti-Money Laundering rules and De-risking policy can be employed to support SLSS platform and live streamers' business models while effectively addressing AML risks. The sub-questions of this RQ are as follows:

1. To what extent live streamers and SLSS platforms are subject to anti-money laundering regulations and De-risking policy?
2. What are the potential benefits and challenges in applying anti-money laundering regulations and De-risking policy as consequence of AML compliance toward SLSS Platforms and live streamers?
3. Which regulatory modes and how they be employed to support SLSS platform and streamers' business models while effectively addressing AML risks?

### **1.4 Research Method**

In order to answer this research questions along with the sub-questions, I use legal-doctrinal research method. This research method is defined as research that attempts to provide a methodical exposition of the principles, regulations, and ideas



controlling a certain legal sector or organization and examines the connections between these principles, regulations, and ideas and in order to fill in the gaps and uncertainties in the current legislation.<sup>26</sup> The uprising live-streaming activity followed by various established SLSSs gave escalation to another concern in terms of content monetization and financial transactions. As elaborated beforehand, the transaction nodes in tokenized currency and streamers' token monetization rise an issue especially in money laundering perspective. The existing policy i.e existing AML/CFT regulations and De-Risking policy will be discussed in this thesis whether they are applicable toward live-streamers and SLSS platforms and also assessing potential benefits and drawbacks from the application.

By relying on legal-doctrinal research, I use EU legislation such as EU regulations and Directive as primary sources. Moreover, I also use secondary sources such as academic articles, electronic books, and guidelines which related to Social Media Content Moderation, Anti-Money Laundering and De-risking policy. Additionally, this research is conducted by using internet resources, such as the EUR-Lex search tool for legislation. WorldCat is also used to look for relevant electronic books that may contribute to the analysis, while google scholar will be utilized to find scientific articles, journals, and papers.

## 1.5 Structure

This thesis consist of 5 (five) chapters as follows:

1. **Chapter 1** is the introduction which consist of background and the context, literature review, research question and sub-questions, research methods, and structure of the thesis.
2. **Chapter 2**, discusses how the EU Anti-Money Laundering rules and De-Risking can be employed to support SLSS platform and streamers' business models while effectively addressing AML risks. To discuss further, this chapter will also elaborate:

---

<sup>26</sup> Jan M. Smiths, 'What Is Legal Doctrine? On The Aims And Methods Of Legal-Dogmatic Research' (2015) Maastricht European Private Law Institute Working Paper No. 2015/06, p.5

- 2.1 The explanation regarding the capacity of SLSS platforms, live streamers, and legal framework of EU anti-money laundering regulation;
- 2.2 Discuss whether live streamers are fit to become subject to EU AML rules and De-risking policy and the impact on live streaming business model;
- 2.3 Discuss the capacity of SLSS platforms in EU AML legal framework and impact of regulating them as subject to EU AML rules and Market in Crypto-Assets regulation (MICA) as it relates to SLSS crypto-assets issuance;
3. **Chapter 3** elaborates several solutions that might tackle some drawbacks as impact of regulating live streamers and SLSS platforms as subject to EU AML rules and impact in applying De-risking policy. Moreover, this chapter also provides self-regulatory concept for SLSS platforms to prevent cyber money laundering and includes criteria provisions to put live streamers as AML Subject and De-risking policy; and
4. **Chapter 4** concludes regarding application of Anti-Money Laundering rules and De-risking policy on SLSS platforms and live streamers.

## CHAPTER 2

### EU Anti-Money Laundering rules Employment on SLSS platform and Live Streamers

#### 2.1 Live Streamers and SLSS platforms as Subjects to EU Anti-Money Laundering Legislations

EU has AML regulations in place that require financial institutions and certain businesses to implement several measures to detect and prevent money laundering activities. Live streamers and SLSS platforms may seem not be traditional financial institutions, nevertheless they often deal with virtual currencies, donations, and other financial transactions such as subscription and content monetization that can be susceptible to money laundering. Prior to discuss further whether Live-streamers and SLSS are subject to EU money laundering rules, it is prominent to delve into the function of SLSS and defining live streamers.

##### 2.1.1. Social Live Streaming Services (SLSS) Platform

There is still disagreement over what exactly constitutes a "platform." Nevertheless, it is defined in the Commission's public consultation as "an undertaking operating in two (or multi)-sided markets, which uses the Internet to enable interactions between two or more distinct but interdependent groups of users so as to generate value for at least one of the groups".<sup>27</sup> This definition states that a platform's two or multi-sidedness is its essential feature. However, we have to ask why this trait is important enough to warrant regulating.<sup>28</sup> First, direct and indirect network effects—that is, "greater involvement by agents of at least one type increases the value of the platform to agents of the other types" (indirect network effect) or agents of the same type (direct

---

<sup>27</sup> European Commission, 'Public consultation on the regulatory environment for platforms, online intermediaries, data and cloud computing and the collaborative economy' (September 2015). Available at: <https://ec.europa.eu/digital-single-market/en/news/public-consultation-regulatory-environment-platforms-online-intermediaries-data-and-cloud>

<sup>28</sup> The work of economists on multi-sided markets informs the actions of regulators in the online sphere. See, Jean-Charles Rochet and Jean Tirole (2003), 'Platform Competition in Two-Sided Markets', 1 Journal of the European Economic Association 4, 990; and David S. Evans and Richard Schmalensee (2007), 'The Industrial Organization of Markets with Two-Sided Platforms' Competition Policy International 151.

network effects)—are well-established in economic theory as a result of two or multisidedness.<sup>29</sup> Second, considering that enterprises can easily transition from being single-sided to multi-sided and vice versa, multisidedness seems like an arbitrary attribute to target for regulation. For example, Netflix, which is sometimes referred to as a digital platform, offers its services exclusively to end-users.<sup>30</sup> As a result, it is a one-sided service now, but it might become a two-sided platform if it modified its revenue model and used advertising to subsidize its content instead of subscription fees. It is imperative to take into account that a shift in the business model could have a significant impact on the regulation of digital actors.<sup>31</sup>

Others have proposed that platforms should not be defined, but rather categorized using a taxonomy based on their attributes, in an effort to overcome this definitional difficulty.<sup>32</sup> A report commissioned by the Dutch government divides platforms into four general categories,<sup>33</sup> but it also acknowledges that platforms will vary within these categories in terms of features like revenue model, whether or not they create network effects, how other platforms or applications use the platform, geographic dependencies, and how data and content are used, among others.<sup>34</sup>

Social Live Streaming Services (SLSSs) platforms, according to Scheibe, Fietkiewicz, and Stock, are Social Networking Services (SNSs) that let users (Live-streamers) to stream their own content in real time by using cameras or mobile devices.<sup>35</sup> Based on this definition, SLSS can be seen as a tool for live-streamers to broadcast their content to their audience (as SLSS' Consumer). From audience perspective, SLSSs are mainly a tool for watching live-streaming content and interacting with the live streamer such as commenting on their content, reacting to the content by sending several emoticons, and on certain platforms, the audience even may

---

<sup>29</sup> Colin Blackman and Romain Bosc, 'What is a platform and should they be regulated? Summary report', Centre for European Policy Studies (CEPS), 17 November 2015, ([https://www.ceps.eu/sites/default/files/CEPS%20What%20is%20a%20platform\\_summary%20report.pdf](https://www.ceps.eu/sites/default/files/CEPS%20What%20is%20a%20platform_summary%20report.pdf))

<sup>30</sup> TNO report, 'Digital platforms: an analytical framework for identifying and evaluating policy options', TNO 2015 R11271, Final report, 11.

<sup>31</sup> Orla Lynskey (2017), 'Regulating 'Platform Power'', LSE Law, Society and Economy Working Papers 1/2017, pp. 5

<sup>32</sup> See Blackman and Bosc, CEPS Report (n 29) 2. According to this report, the economic literature on multi-sided markets suggests that definitions should take into account at least three criteria: the balance of contributions; interdependence; control.

<sup>33</sup> These categories are: reseller/distributor; marketplace; social network; and platform of platforms. TNO report, 'Digital Platforms: an analytical framework', (n 30) pp. 11

<sup>34</sup> *Ibid.*, pp. 12

<sup>35</sup> Scheibe, Fietkiewicz, and Stock (n 10)

award the streamer incentives like money, badges, or points. Consequently, reflecting on the description above, SLSSs' function can be determined as medium of social networking and interactive social media platforms since viewers can engage with the streamer as they are streaming.

Generally, there are three types of SLSS platforms: **first** is general ones for example YouNow, Periscope, and Ustream; **second** is specialized ones like Twitch for gaming; and the **third** one is SLSSs integrated into other services such as Facebook Live and YouTube Live,<sup>36</sup> Instagram Live, and Tiktok Live. Respectively, the first type is mainly a social media platform with infrastructure for facilitating live streaming services; the second type is a live streaming platform but focusing on specific aspect (e.g gaming); and the third type are social media platforms with various features and live streaming is one of the features, for instance Instagram is focused on photo or video sharing features but one of its feature is Instagram Live.

The way live streaming platforms earn revenue are similar to general social media platforms such as:

1. Advertising;
2. Personalized ads (by using users' data);
3. Subscription access. For example in EU, Facebook and Instagram offer subscription for €9.99/month on the web or €12.99/month on iOS and Android to allow their users for enjoying no advertisements;<sup>37</sup> or
4. Selling virtual items for in-app usage. For instance, Tiktok is selling 'Tiktok Coins'. These coins are virtual items that can be purchased by users of the Platform ("**Coins**"). Coins can only be used on the Platform as a way to activate or access other virtual items or services that may be made available on the Platform from time to time ("**Virtual Items**").<sup>38</sup>

The fourth method is commonly used by SLSSs such as Bigo Live, YouNow, and Tiktok. This method is clearly indicating there is financial transaction where the SLSS consumers purchase virtual items or changing their fiat money into virtual currency.

---

<sup>36</sup> Mathilde B. Friedländer (2017), 'Streamer Motives and User-Generated Content on Social Live-Streaming Services' Journal of Information Science Theory and Practice, p.66

<sup>37</sup> <https://about.fb.com/news/2023/10/facebook-and-instagram-to-offer-subscription-for-no-ads-in-europe/> accessed on 24 April 2024 18:07

<sup>38</sup> [Virtual Items | TikTok](#) accessed on 24 April 2024 18:53

Therefore, there is urgency whether SLSSs are subject to EU AML rules, regardless of the main function of SLSS is not financial-oriented but social networking purposes.

### 2.1.2. Live Streamers as Main Actors of Live Streaming

Before discussing further on employment of AML rules and De-risking policy, we have to get a clear picture of live streamers regarding how do they work and classify whether this activity is considered as profession or not. In order to define those questions, it is important to elaborate the motives of live streamers to stream their content through SLSSs.

As elaborated on previous section, SLSSs are part of Social Network Services (SNSs). Generally identifying, people's motives to use SNSs are variative. Motives like self-expression and a certain sense of mission play a major role in the use of SNSs.<sup>39</sup> Simple intrinsic motives for the use of SNSs are boredom<sup>40</sup> as well as fun and entertainment.<sup>41</sup> In addition, socializing as an act of establishing new contacts that may prevent loneliness has been observed on SNSs like Facebook and Twitter.<sup>42</sup> Even already existing relationships and social activities are managed via social media.<sup>43</sup> SNSs provide the opportunities to reach specific groups in order to interact with them.<sup>44</sup> Exchanging views or distribution of the user's opinions<sup>45</sup> is easily achievable. Social interactions within virtual communities fulfill the user's need to belong and raise the group-based self-esteem.<sup>46</sup> Furthermore, there are users intending to become famous

---

<sup>39</sup> A. D Beldad, and R. Koehorst, (2015), 'It's Not About The Risks, I'm Just Used To Doing It: Disclosure Of Personal Information On Facebook Among Adolescent Dutch Users', In G. Meiselwitz (Ed.), *Social Computing and Social Media*. 7th International Conference, SCSM 2015 Held as Part of HCI International 2015 Los Angeles, CA, pp. 185-195

<sup>40</sup> P. B., Brandtzæg and J. Heim (2009), 'Why People Use Social Networking Sites', In A. A. Ozok & P. Zaphiris (Eds.), *Online Communities and Social Computing*, Third International Conference, OCSC 2009, Held as Part of HCI International 2009, San Diego, CA, pp.143-152

<sup>41</sup> See Cheung, C. M. K., Chiu, P.Y., & Lee, M. K. O. (2011), 'Online social networks: Why do students use Facebook?', *27 Computers in Human Behavior* 4, pp. 1337- 1343; D. Kim, D., J.H Kim, and, Y. Nam (2014), 'How Does Industry Use Social Networking Sites? An Analysis Of Corporate Dialogic Uses Of Facebook, Twitter, YouTube, And LinkedIn By Industry Type', *48 Quality and Quantity* 5,

<sup>42</sup> Brandtzæg & Heim (n 40)

<sup>43</sup> Beldad & Koehorst (n 39)

<sup>44</sup> A. N. Joinson (2008), 'Looking At, Looking Up Or Keeping Up With People? Motives And Uses Of Facebook', In M. Burnett, M. Francesca, T. Catarci, B. de Ruyter, D. Tan, M. Czerwinski, & A. Lund (Eds.), *The 26th Annual CHI Conference on Human Factors in Computing Systems*, pp. 1027-1036

<sup>45</sup> K. Y Lin, and H. P. Lu (2011), 'Why People Use Social Networking Sites: An Empirical Study Integrating Network Externalities And Motivation Theory', *27 Computers in Human Behavior* 3, pp. 1152-1161

<sup>46</sup> Cheung, Chiu, and Lee (n 41)

and earn money through the use of SNSs. They want to be seen by others and acknowledged.<sup>47</sup> This type of motivation which users keeping in contact with their own community is for the sake of their personal branding as “micro-celebrity”.<sup>48</sup> Start as micro-celebrity, they are motivated to keep producing content and more active on the SNS. Consequently, they will indicate their increased popularity based on the viewers, subscribers, and constant content publishing. In addition, this also increases their power to influence their audiences. Thus the popular SNSs users can be identified as social media influencers: a number of people, frequently without any formal professional accreditation, work in a vocation that involves sharing moments from their everyday life, giving advice on various topics (such as food, exercise, and beauty), and endorsing products and services.<sup>49</sup> Despite their unregistered and untrained profession, influencers have become a phenomenon which can influence or affect their audience to behave in many ways.

Social media influencers are part of a larger framework that includes the sharing economy, peer-to-peer services, the "gig economy," and the "do-it-yourself trend," which has become increasingly popular over the last ten years.<sup>50</sup> With the advancement of information and communication technology, sharing economy practices have spread widely. These technologies facilitate peer-to-peer collaboration, foster easy connections between strangers, boost cooperation incentives, gather data about past and present behavior, and forecast future actions of sharing practice stakeholders.<sup>51</sup> Moreover, Do-It-Yourself (DIY) especially Reactive DIY<sup>52</sup> is also affected because some people were using SNSs for hobby or leisure time at first and now those motives are changed to become more financial-oriented and talent scouting tool, therefore they are known as social media influencers. In addition, several social media influencers are also taking part as intermediary between producers and consumers in business

---

<sup>47</sup> D. N. Greenwood (2013), ‘Fame, Facebook, And Twitter: How Attitude About Fame Predict Frequency And Nature Of Social Media Use’, 2 *Psychology of Popular Media Culture* 4, pp. 222-236

<sup>48</sup> A. E. Marwick, and D. Boyd, (2011), ‘To see and be seen: Celebrity practice on Twitter’, 17 *Convergence: The International Journal of Research into New Media Technologies* 2, pp. 139-158

<sup>49</sup> Catalina Goanta and Sofia Ranchordas (2019), ‘The Regulation Of Social Media Influencers: An Introduction’, University of Groningen Faculty of Law Research Paper Series No. 41/2019, pp. 1

<sup>50</sup> *Ibid.*, pp. 2

<sup>51</sup> Sofia Ranchordas (2015), ‘Does Sharing Mean Caring? Regulating Innovation in the Sharing Economy’, 16 *Minnesota Journal of Law, Science, and Technology* 1, pp. 417

<sup>52</sup> Paul Atkinson (2006), ‘Do It Yourself: Democracy and Design’, 19 *Journal of Design History* 1, pp. 3

activity.<sup>53</sup> For example, this include but not limited to endorsement, advertising, and affiliate marketing.

"The democratization process of content creation", in which modest entities and individuals surpass big companies and organizations in providing distinctive and tailored audiovisual media products, is claimed to be the source of inspiration for the rapid growth and variation of live stream contents.<sup>54</sup> Live streaming as an interactive form of online entertainment has been gaining popularity since the beginning of the decade.<sup>55</sup> For example Twitchtracker has shown interesting statistics about Twitch's live-streamers and viewers progression over the years. Since 2015 Twitch's live streamers has grown massively, started from average of 2 million streamers in 2015 until reached 7,2 million live streamers on March 2024.<sup>56</sup>

Video gaming material such as competitive esports events, tutorials on gameplay mechanics and subtleties, and recreational play with no set objectives dominated the live stream ecosystem in its early stages.<sup>57</sup> Since 2016, there has been a noticeable rise in the number of eSports viewers, including fans who watch the sport on a regular basis as well as sporadic watchers. There was a 12.3% year-over-year rise between 2018 and 2019. in 2019 there were 397.8 million total audiences, adjusted for 200.8 million occasional watchers and 197 million eSports fanatics. The rise from year to year persisted into 2020 and 2021. There were 249.5 million infrequent viewers and 240.0 million eSports fans in 2022, for a total of 532.0 million eSports watchers.<sup>58</sup>

Nonetheless, a wider range of content availability has significantly changed the live streaming scene in recent years. For instance, During the third quarter of 2023, music videos were the most popular type of online video material consumed in Spain, with 48.6% of internet users reporting they watched them on a weekly basis. The second

---

<sup>53</sup> Andrew G Malik (2016), 'Worker Classification And The Gig-Economy', 69 Rutgers U.L. Rev. 1729, pp. 1730

<sup>54</sup> Sjöblom, M., Törhönen, M., Hamari, J., and Macey, J. (2017), 'Content structure is king: An empirical study on gratifications, game genres and content type on Twitch'. *Comput. Hum. Behav.* 73, 161. doi: 10.1016/j.chb.2017.03.036

<sup>55</sup> Hilvert-Bruce, Z., Neill, J. T., Sjöblom, M., and Hamari, J. (2018), 'Social motivations of live-streaming viewer engagement on Twitch', *Comput. Hum. Behav.* 84, 58–67. doi: 10.1016/j.chb.2018.02.013

<sup>56</sup> TwitchTracker ( <https://twitchtracker.com/statistics/active-streamers> accessed on April 30 2024

<sup>57</sup> Sjöblom, M., Törhönen, M., Hamari, J., and Macey, J. (2017). Content structure is king: An empirical study on gratifications, game genres and content type on Twitch. *Comput. Hum. Behav.* 73, 161–171. doi: 10.1016/j.chb.2017.03.036

<sup>58</sup> Newzoo (2022) 'The Esports Audience Will Pass Half a Billion in 2022 as Revenues Engagement, and New Segments Flourish' <https://newzoo.com/resources/blog/the-esports-audience-will-pass-half-a-billion-in-2022-as-revenue-engagement-esport-industry-growth> accessed April 30 2024



most popular content type, watched by about 36.4 percent of the respondents, was comedy, memes, or viral material. With a share of 29.8%, tutorials or how-to videos were almost as popular.<sup>59</sup>

According to the CMI recent market research, the size of the worldwide live streaming industry is predicted to grow at a compound annual growth rate (CAGR) of 28% between 2023 and 2032. The market is expected to grow to a valuation of USD 38.87 billion by 2022. It is projected that the valuation will reach USD 256.56 billion by 2032.<sup>60</sup> There are several factors that affect the development of live streaming markets:<sup>61</sup>

1. Increasing Demand for Video Content
2. Social Media Integration
3. Opportunities for Content Creators and Influencers
4. Revenue Generation through Advertising and Monetization

As response to the incredibly hardworking and efficient streaming content providers, there are several ways for viewers to help out their favorite channels. The levels of support behaviors can be categorized according on the amount of time and money required. The ways are distributed into different levels as follows:

1. Continuous watching: To contribute in increasing the amount of Internet traffic and the number of concurrent viewers;<sup>62</sup>
2. Clicking "like" and "follow" (or "subscribe") buttons: To contribute in developing the live-streamers channel and to give credits to their contents.<sup>63</sup>
3. By sharing (click 'Share') the on-going live streaming to other social media platforms or sending private messages to online friends.<sup>64</sup>

---

<sup>59</sup> Statista (2024). 'Most popular video content type for internet users in Spain during 3rd quarter 2023, by weekly usage reach'. Statista. Available online at: <https://www.statista.com/statistics/1306672/online-videos-weekly-consumption-spain/> accessed April 30 2024

<sup>60</sup> Custom Market Insight (2023), 'Global Live Streaming Market Size Likely to Grow at a CAGR of 28% by 2033', <https://www.custommarketinsights.com/press-releases/live-streaming-market-size/> accessed April 28 2024

<sup>61</sup> *Ibid.*

<sup>62</sup> see Hou, F., Guan, Z., Li, B., and Chong, A. Y. L (2019), 'Factors Influencing People's Continuous Watching Intention And Consumption Intention In Live Streaming: Evidence From China', 30 Internet Res, pp. 141–163. doi: 10.1108/INTR-04-2018-0177 ; Lv, X., Zhang, R., Su, Y., and Yang, Y (2022), 'Exploring How Live Streaming Affects Immediate Buying Behavior And Continuous Watching Intention: A Multigroup Analysis', 39 J. Travel Tour Mark, pp. 109–135. doi: 10.1080/10548408.2022.2052227

<sup>63</sup> Recktenwald, D. (2017), 'Toward a transcription and analysis of live streaming on Twitch', 115 J. Pragmat, pp. 68–81. doi: 10.1016/j.pragma.2017.01.013

<sup>64</sup> See M. Martini, (2018), 'Online Distant Witnessing And Live-Streaming Activism: Emerging Differences In The Activation Of Networked Publics', 20 New Media Soc., pp. 4035–4055. doi:

4. Generating real time "comment" during live-stream session: This denotes a higher degree of support as users consciously share their private views and opinions about the streamed content, whether they are relevant or not, in an effort to start conversations with the live-streamer(s) and other users on the channel.<sup>65</sup>
5. By "tipping": In the context of live streaming, this can be regarded as the highest level of support. This is primarily demonstrated by satisfied viewers purchasing and offering virtual gifts that can be exchanged for actual money.<sup>66</sup> This Tipping or gift income is frequently a sizable source of financial compensation in exchange for streaming services rendered.

The fifth way to support live-streamers is indicating financial transaction between consumers and live streamers as the consumers willingly spend their money to reward the streamers. As the live-streaming activity is online, consumers cannot reward the streamers directly as we reward street musician. To accomplish the tipping reward method, this requires SLSS as intermediary between them. For example in Tiktok Coin transaction, consumer buy the coin from Tiktok and the coin will be credited to their account. This coin later can be used to buy virtual gift or access to a certain content. The virtual gift then can be monetized by the live-streamers and therefore it is become an income.

Only by making content such as gaming content, recording daily life, or tutorials on SLSS and as a result gaining income from this, live streaming has become an interesting activity for SNSs users. Moreover, paradigm of DIY trend, self employment, and uprising sharing economy are also driving people to become a live streamer which initially using SNS for self-entertainment or popularity oriented and change into live-streamer with financial benefit. Live-streaming activity is also predicted will grow rapidly in the next 10 years as the compound annual growth rate (CAGR) is predicted to grow 28% between 2023 and 2032. This prediction shows us that live-streaming activity is more than social media usage and can be seen as promising economic

---

10.1177/1461444818766703; Wongkitrungrueng, A., Dehouche, N., and Assarut, N (2020). 'Livestreaming Commerce From The Sellers Perspective: Implications For Online Relationship Marketing', 36 J. Mark. Manage, pp. 488–518. doi: 10.1080/0267257X.2020.1748895

<sup>65</sup> O. L., Haimson, and Tang, J. C. (2017), 'What Makes Live Events Engaging on Facebook Live, Periscope, and Snapchat' in Proceedings of the 2017 CHI Conference on Human Factors in Computing Systems, (New York, NY: Association for Computing Machinery), pp. 48–60. doi: 10.1145/3025453.3025642

<sup>66</sup> Y. Lin, Yao, D., and Chen, X. (2021), 'Happiness begets money: Emotion and engagement in live streaming', 58 J. Mark. Res., pp. 417–438. doi: 10.1177/ 00222437211002477

activity. As indicated on several data mentioned above, the amount of streamers are rising up in these recent 10 years. This also followed by the increasing audiences (SLSS consumer) and more SNSs featuring live streaming feature. This will cause more internet traffic, more revenue for the platforms because more audience and live streamers, and as source of income for live streamers especially the one who receive reward through 'tipping' method. The huge amount of consumers that actively rewarding the live streamers will lead into purchasing virtual gift which benefit not only for the live streamer but also benefit for the SLSSs as they also obtain revenue from selling this item. This activity consequently followed by huge number of transactions which does not exempt money laundry risk possessed on the SLSS and the live streamer.

Reflecting on the typology of live-streaming activity, live streamers play a pivotal role in generating content and commencing financial transaction in this activity. If there is no live streamer commencing a live streaming session, no audience will engage on rewarding transaction. Live streamers motives are vary which causing further discussion whether live streamers regardless their motives are fit enough to fall within AML rules and de-risking policy.

Similar to the nature of SLSS which intended as social networking medium than a financial institution, some live streamers are commencing live streaming to become famous than obtain money, while certainly some of them might have intention to obtain money or even make live streaming activity as their daily profession. Furthermore, one of difficulty in identifying the true nature of live streamers is to identify the status of live streamers whether they are consumer of SLSS or professionals.

Live streamers are indeed 'using' SLSS platform to commence their live streaming session, without SLSS they will not be able to air their session even if their tools are complete. However, at the same time they are also engaged in financial transaction that makes them look like businessmen or professional which aim to get revenue as much as possible. The more famous the streamer, more content will be generated, and consumers will give more reward to them. Even if the streamer has no intention to seek revenue, the SLSS is still facilitate rewarding activity, for example: a streamer who purely runs his channel for sharing gaming tutorials. His tutorials are proven to be effective, then audience will stay loyal and always seek for his new video, in addition some audiences might give him 'tips' as reward for the best tutorial streaming. Whether the streamer has economic intention or not, the SLSS is still

facilitating its audiences to reward the streamer. There has to be clear-cut distinction to decide live streamers capacity under AML provisions and de-risking policy since the implication would be different when they are identified as users of SLSS or as professional with financial benefit goal.

### **2.1.3 EU Anti Money Laundering Rules**

Anti-money laundering (AML) regulations and measures have undergone significant growth in the last thirty years or so. On a global scale the Financial Action Task Force (FATF) is currently recognized as the body that establishes standards through its recommendations.<sup>67</sup> The FATF revised its guidelines in 2019 to bring cryptocurrencies, virtual assets, and virtual asset service providers (VASPs) under the purview of AML/CFT laws. As results of this modification, organizations handling these assets must now adhere to the same set of regulations as conventional financial institutions. In an effort to address the new risks posed by these technologies and make sure that AML and CFT laws continue to be relevant in the digital age, FATF has decided to include these assets under its purview.

The European Commission conducts risk assessments to identify and address risks affecting the EU internal market. Comprehensive regulations were enacted by the European Union to combat money laundering and the financing of terrorism (AML). To prevent the financial system from being abused for money laundering purposes, the first anti-money laundering Directive (AML Directive) was enacted in 1990. When starting a business partnership, the AML Directive stipulates that obliged entities must follow customer due diligence procedures (i.e., identify and verify the identity of clients, monitor transactions, and report questionable transactions).<sup>68</sup> The European Union (EU) has enacted several money laundering rules since 1991. The latest products are AML Directive 2015, AML Directive 2018, and several provisions in Market in Crypto-Assets Regulation (MiCAR).

In response to the FATF's 2019 guidance on virtual assets and VASPs, the European Union included these guidelines into its regulatory framework. To tighten its

---

<sup>67</sup> FATF, International Standards on Combatting Money Laundering and the Financing of Terrorism and Proliferation (FATF/OECD 2012, updated in November 2023).

<sup>68</sup> European Commission, Anti-money laundering and countering the financing of terrorism at EU level. Available at: [https://finance.ec.europa.eu/financial-crime/anti-money-laundering-and-countering-financing-terrorism-eu-level\\_en#legislation](https://finance.ec.europa.eu/financial-crime/anti-money-laundering-and-countering-financing-terrorism-eu-level_en#legislation) accessed on 11 June 2024

AML/CFT regulations, the EU created an Action Plan in May 2020 and released a set of legislative proposal in July 2021. A recast of the Funds Transfer Regulation (Regulation 2015/847) was one of those proposed laws. Wire transfers were covered by Regulation 2015/847 (the Travel Rule). It did have a drawbacks, however, which criminals used to launder money. It only pertains to wire transfers and conventional financial transactions using currency such as coins, banknotes, traditional money, and electronic money. As cryptocurrency assets were not covered beforehand, there was a regulatory gap that might be used by criminals to conduct illegal financial operations. It made financial transactions involving virtual assets less transparent and less traceable, which made it more challenging for law enforcement to identify and look into suspicious activity. In compliance with FATF guidelines, the recently enacted Regulation on the Traceability of Transfers of Funds (TFR) guarantees user authentication and the traceability of transfers of cryptoassets. It will go into effect in December 2024.<sup>69</sup>

Under AML Directive 2015, this directive applies to the following obliged entities:<sup>70</sup>

1. Credit Institutions;
2. Financial Institutions;
3. Natural or legal persons commencing their professional activities (e.g Notaries, auditors, tax advisor, external accountant);
4. Trust or company service providers not already covered under point (a) or (b);
5. Estate Agents;
6. Other persons trading in goods to the extent that payments are made or received in cash in an amount of EUR 10.000 or more, whether the transaction is carried out in a single operation or in several operations which appear to be linked;
7. Providers of gambling services.

AMLD 2015 also offers Member States to exempt persons that engage in a financial activity on an occasional or very limited basis where there is little risk of

---

<sup>69</sup> *Ibid.*

<sup>70</sup> Article 2(1) AMLD 2015

money laundering or terrorist financing. To be exempted, there are criterias regarding that persons' financial activity that cumulatively should be met as follows:<sup>71</sup>

1. Limited in absolute terms;
2. Limited on a transaction basis;
3. Not the main activity of such person;
4. Ancillary and directly related to the main activity of such persons;
5. The main activity of such persons is not an activity referred to in points (a) to (d) or point (f) of paragraph 1(3) of this Directive;
6. The financial activity is provided only to the customers of the main activity of such persons and is not generally offered to the public.

Regarding point 1, Member States are able to determine the total turnover of the financial activity does not exceed a threshold that has been established nationally.<sup>72</sup> In addition, Member States shall apply a maximum threshold per customer and per single transaction, whether the transaction is carried out in a single operation or in several operations which appear to be linked.<sup>73</sup> To determine whether a financial activity is a person's main activity or not, Member States shall require that the turnover of the natural or legal person's financial activity does not exceed 5 % of their total turnover.<sup>74</sup>

Furthermore, on Article 4(1) AMLD 2015, in accordance with the risk-based approach, allows Member States to extend in whole or in part the scope of this Directive to professions and to categories of undertakings, other than the obliged entities referred to in Article 2(1), which engage in activities which are **particularly likely to be used for the purposes of money laundering or terrorist financing**. This means Member States may further legislate and apply broader in their national AML rules and policies to more subject than regulated in the directive as long as it is necessary after assessing the risks of money laundering and terrorist financing.

---

<sup>71</sup> Article 2(3) AMLD 2015

<sup>72</sup> *Ibid.*, Article 2(4)

<sup>73</sup> *Ibid.*, Article 2(5)

<sup>74</sup> *Ibid.*, Article 2(6)

## 2.2 Live Streamers' Capacity and Impact as Subject to AML Rules and De-Risking Policy

'The pacing problem' of law with technology can be identified in this question. The types of legal and regulatory issues that result from technological change can be described such as the need to manage new risks and negative effects, the need to manage ambiguity in the application of current laws, the need to modify regulatory regimes that might be over-inclusive or under-inclusive when used in the new context, and the need to manage obsolescence.<sup>75</sup>

The high amount of revenue and increasing number of live streamers from the past decades show that live streaming activity is not just social media activity but also the rise of private entertainment activity and new form of economic activity. This activity can be seen as a medium to obtain personal income and as one of financial transaction between multiple subjects. Reflecting on live streamers' activity, there is gray area in defining live streamers' position under legal perspective. They can be identified both as consumer of SLSS and (somehow) professional. Live streamers are using SLSS platforms to air their live streaming activity, thus it seems they are consumer. On the other hand, it is clear that live streaming provide financial benefit to the live streamers through content monetization from their audiences' virtual gift or direct donation. This gray area in defining live streamers indeed causing further regulatory matters whether live streamers as legal subject are fit into existing regulations or even should be regulated differently. Regardless this question on general EU regulations capture, EU AML rules might provide a regulatory measure to put live streamers as subject under these rules.

To see whether live streamers are subject to AMLD 2015, Article 2(1) has to be elaborated. **First**, live streamers are clearly not a financial institution, credit institution. **Second**, they are not one of any natural or legal person commencing professional task as regulated under Article 2(1) number 3 such as auditor, external accountants, tax advisor, notaries, legal professionals, estate agents nor gambling service provider.

**Third**, regarding '*Other persons trading in goods to the extent that payments are made or received in cash in an amount of EUR 10.000 or more...*' as stated under

---

<sup>75</sup> Lyria Bennett Moses (2011), 'Agents of Change: How the Law "Copes" with Technological Change', 20 Griffith Law Review 4, pp. 763

Article 2(1) number 3e, live streamers' activity are generating content through the SLSS platform in real time. This content mainly will be enjoyed by their audiences as entertainment or helpful information. To reward live streamers' content, several audiences might send them donations, virtual gift, or tokens. This rewarding activity is voluntary, so it depends on the audiences regarding the amount of reward, in what form of reward, how many times, and when they want to reward. Whether they reward the live streamers or not, it does not prevent them from enjoying the generated content or prevent them from using the SLSS platform. Therefore, live streamers are not trading any goods during their content generation activity as rewarding does not affect (in terms of limiting) either live streamers or the audiences from using SLSS platform to enjoy live streaming. In addition, the audiences are not specifically purchasing the generated content or purchasing live streamers' services. The generated contents do not indicating any specific price to be watched or enjoyed by the audience and live streamers activity is not commercially considered as service because it is pure generating content for various reasons (e.g entertainment, self-expression, sharing information, reviewing something). Furthermore, the way audiences reward the live streamer are not in cash forms. they are rewarding the live streamer through various way depending on the SLSS. For example in Twitch, audience are simply donate the streamer by transferring some amount of money. Another examples, in Tiktok the consumers are using Tiktok coins and in Bigo Live the consumers are using somekind of virtual gift such as fruits that has been exchanged from fiat money beforehand. Thus, there is no direct cash involved in transaction between SLSS consumers and live streamers.

To conclude, according to Article 2(1) AMLD 2015 live streamers are excluded from the scope of this directive, thus they are not subject to any provision of this Directive. This is because they are not financial institution, credit institution, gambling provider, trust company, or estate agents. Moreover, although they are likely to be considered as professional and receiving amount of money, it is still ambiguous regarding the legal definition of a live streamer. They are using SLSS for creating and publishing their live streaming content, and are hardly considered as professional who offer service to audience in exchange for a revenue. In addition, even though they might receive such amount of income, they are not receiving this income in cash, and not because they are trading goods. They received it from rewarding transaction and content monetization.



Systematically, Article 2(1) of AMLD 2015 per se has exempt live streamers as AML subject. Nevertheless, high number of live streamers along this past decade, high volume of revenue from live streaming activity, and involving crypto assets or virtual money transaction—open up indication this activity can be a tool for money laundering practice, and thus it is appropriate to put them under the AMLD.

De-risking procedures are occasionally implemented by financial institutions to lessen their exposure to possible money laundering risk. This may entail cutting off or ending connections with companies or people seen to provide a greater risk of money laundering, such as live streamers and SLSS platforms that might enable frequent or substantial financial transactions. De-Risking could be one of options to solve the issue regarding live streamers as subject under AMLD.

In the cycle of live streaming activity, audience can reward the live streamers with virtual items, tokens, or coins during the live streaming session. These items possess the value of real currency which can be exchanged by the live streamers into real money (in form of bank balance).

Bank as one of financial institutions which regulated under AML Directive 2015 has obligations to comply with anti-money laundering rules. De-risking is one of form of compliance to reduce risk of having a client which possess money laundering risk. Nevertheless, this policy may have economic effect as it prevent client to store their money in the bank. In context of live streaming business model, live streamers can monetize their obtained rewards which take the form of crypto-asset such as token, virtual items, or coins beforehand into the real currency that will be credited to their bank account. If bank apply strict de-risking and easily cut ties with live streamer this will causing problem in content monetization. Live streamers will not be able to get their revenue in real money. As further result, there might some live streamers will choose to leave this activity because there is difficulty to obtain income in form of real money.

The rewarding transaction in live streaming activity is also involving SLSS as issuer of various form of rewards and involving audience as holder and positioning live streamers as end-holder. If monetization process is problematic, SLSS may consider to stop issuing these rewards or found that rewarding features are not functional anymore. Therefore, De-risking policy will cause disturbance or may eradicate financial transaction in entertainment field. Moreover, live streaming activity is predicted to grow significantly. This activity is predicted to grow at a compound annual growth rate

(CAGR) of 28% between 2023 and 2032, this means live streaming activity have a promising prospect. The disturbance caused by de-risking policy which possess own internal rules might not relevant with the cycle of live streaming activity. The preventive and compliance measures of money laundering are indeed necessary for bank, however, over-protective rules which seem to change totally the function of SLSS and content monetization, may bring domino effect in decreasing economic stability.

Despite Article 2(1) AMLD 2015 has exempted live streamers, this does not mean live streamers could be completely out of scope. There are rules in AMLD 2015 that provide Member States to regulate further and thus expand the scope application of AMLD 2015 under each their National Laws.

**First**, Article 2(7) of AMLD 2015 imposes Member States to watch any **financial activity** that is potential to be particularly likely—by its nature—to be misused or utilized for the purposes of money laundering or funding terrorism. This means Member States are given authority to pay attention and assess any financial activity that may possess money laundry and terrorist funding risk. This may include financial activity in live streaming activity (e.g audience changes fiat money into cryptoassets, and then rewards live streamers with those, and monetization process of these cryptoassets into streamers' bank account). **Second**, Further in Article 4(1) of AMLD 2015, there is provision that allows Member States, according to the risk-based approach, ensure that the purview of this Directive is expanded, either entirely or in part, to occupations and types of activities other than the obliged entities mentioned which take part in activities that are especially likely to be utilized for money laundering or terrorism funding objectives, as stated in Article 2(1). Not every situation has the same risk of money laundering and financing terrorism. Consequently, a comprehensive risk-based approach ought to be applied. Evidence-based decision-making shall be used in order to effectively tackle the threats of money laundering and terrorist funding facing the Union and those operating within it.<sup>76</sup> Reflecting on the substance of this provision, first step prior to expand the scope of AMLD 2015 is that Member States shall commencing risk assessment to any unregulated profession under AMLD 2015 regarding the chance of certain professions to likely become a medium for money laundering activity. In context of live streamers, data which illustrated in section 2.1.2 has showed that the enthusiasm of live streaming activity always rise up

---

<sup>76</sup> Recital 22 AMLD 2015

for the last 10 years and predicted to grow rapidly in the next 10 years as the compound annual growth rate (CAGR) is predicted to grow 28%. This means that more people recognize this activity as useful, brings benefit, and entertaining. The rise of live streamers' number is not for no reason. The revenue they obtain from commencing live streaming activity and 'micro-celebrity' paradigm affect more people to become a streamer and for some streamers, this activity is alike to be their main job. Moreover, the usage of cryptoassets for tipping the live streamers and monetizing those cryptoassets into income is also took part in becoming this activity more popular and profitable. Live streaming is online activity. This kind of transaction is simplifying live streaming audience to appreciate the live streamers' online content inter alia for the live streamers to get income from live streaming activity, so it is more than generating live content.

Holistically discussing, it is proven that live streaming is a promising activity both socially and economically. Socially because this activity is considered as popular entertainment with a huge number of consumers and live streamers. Economically because following the popularity of this activity, more users are using SLSS platforms, more audiences doing transaction for rewarding live streamers, and the profit from content monetization by live streamers. Nevertheless, the huge volume of users and easy way of transaction in rewarding streamers possess risk of money laundering. Reflecting on what happened in Indonesia which live streamers were used as medium for money laundering by online gambling mafias, the pinpoint method were the rewarding transaction. The money launder gave as much as possible tip/rewards to the streamer during their live streaming session.

In EU regulatory framework live streamers are indeed out of the scope of Article 2(1) AMLD 2015. But the openness of Article 4(1) of AMLD 2015 can become a tool for capturing live streamers as subject under AMLD 2015 rules. Considering social function of live streaming, promising economical benefit obtained from this activity and its social function (i.e rewarding live streamers), legal aspect of this activity, and referring to the case that happened in Indonesia, there is clearly money laundering risk on live streaming activity. Therefore, as of the main actors, the live streamers are prominent to be regulated under AMLD 2015 and adhere to its rules by invoking Article 4(1) AMLD 2015. In order to put them under the regulations, Article 4(1) explicitly mentioned 'undertaking' or 'profession', therefore the status of live streamers should be determined beforehand.

The term “UNDERTAKING” is not defined in any EU Treaties, but according to the caselaw of the Court, an undertaking is **any entity engaged in economic activity regardless of its legal status or how it is financed.**<sup>77</sup> This is a functional approach, and the determining factor is the economic activity. Economic activity is defined as any activity consisting of offering goods and services in a given market.<sup>78</sup> Further, no profit motive is required.<sup>79</sup> Live Streamers can be considered as UNDERTAKING. They are entities engaged in economic activity because they receive reward from their audiences in form of virtual money or cryptoassets. Although their motive may not profit-oriented, they can always receive those rewards because the SLSS platform allows it, and eventually they monetize these rewards to their bank account. This consequently bolstering the conclusion that live streamers are engaged in economic activity.

Regarding ‘profession’ terms, live streamers position as natural person are located in a gray area. Some of them are indeed engaged in financial activity and making live streaming as daily job to obtain income, but at the same time they are also considered as consumers of SLSS platforms, thus making it blurry to consider them as professional. Different capacity would put them into different regulation regime, for example under AMLD 2015 and other AML rules. Therefore, identifying whether they are professional or not is the main gate to those rules. A profession can be defined by a number of factors, including advanced degrees, certification, license, specialized expertise, distinctions between manual and intellectual labor, and even the ideal of service. When taken individually or in combination, these requirements would correctly include a wide range of occupations that do not fall under the definition of a profession in the sense that the terms are typically used to refer to the legal, medical, and the ministry.<sup>80</sup>

Reflecting on this theory, **first**, live streamers indeed have a set of skills such as making video, sound and camera setting, speaking skill, knowledge about the content, and the basic one is using SLSS and its features. However these skills are generally basic and do not have a specific course or formal institution to teach these skills. **Second**, despite the relation between live streamers and their audiences is not a professional-client relationship, but the loyalty of the audience toward a live streamer

---

<sup>77</sup> Hofner, para. 21

<sup>78</sup> Wouters, para. 47

<sup>79</sup> Cassa di Risparmio di Firenze and Others, para. 122-123

<sup>80</sup> Edmund D. Pellegrino (1983), ‘What Is a Profession?’, 12 Journal of Allied Health 3, pp. 171

which proven from high number of viewers, subscribers, and tipping the streamer is showing the faith and satisfaction of audience on a streamer's content. Those kinds of loyalty are also showing that audiences expects the live streamer to be consistent in generating live streaming content and if applicable, improve the content. from the live streamers perspective, this condition indeed give them authority to create more and improve content based on their speciality and skills to fulfill audiences' demand and increase their loyalty.

Live streamers, however, are still hardly considered as professional for some reasons. **First**, there is no accreditation such as certification, no special training, and no legitimate association to conduct licensing and training for live streamers. As comparison, for example to become a lawyer, we have to through training course and bar exam. Same goes in becoming a notary or tax auditor which there are several steps such as experience, and certification/licensing. Moreover, if we compare it to lawyers, notaries, or tax auditor, live streamers do not offer such specific service in some aspects (e.g law, finance). As a result, it is hard to say live streaming activity is offering entertainment service because the goal of this activity are vary. In addition, there are no precise guidelines to determine if live streaming activity is appropriate or not, no standards to check if live streamers are following the guidelines, and no standards for misbehavior or how to address it. Thus, community and peers can only assess a live streamer based on public value or general established law. Consequently, live streamers in this context are far from being defined as professionals. They are more fit as non-professional with set of skills and specialty, and competence in social media activity. **Second**, there is no written ethic codes for live streamers. But they still have to adhere to unwritten ethics code when commencing their activity such as ensuring public order, no negative content, no provoking fake news or fake content. **Lastly**, with regard to professional culture, live streamers have no special working institution neither group for upgrading live streamers. This because originally they can be seen as SLSS consumer as well, but SLSS cannot be considered as streamers' working institution. Moreover, they have different motives and content specialization which make them focusing on generating content and improving it by themselves without special group. Nevertheless, they might have informal community special for live streamers. This community can become a medium for sharing information regarding on-going trend, new features of SLSS platforms, and exchanging experience.

In conclusion, live streamers are indeed natural persons who have a set of skills and knowledge in conducting live streaming activity. Their activity is dependant on the loyalty of the audiences, thus they keep generating content and improving it to increase their audiences' loyalty and earn income from them. However, live streamers are far from being considered as a profession/professional as there is no certification, ethics code, special training, and formal organization. Moreover they are not providing specific service for public such as financial or legal service, they merely doing live streaming activity for entertainment purposes or expressing opinion, tips, or commentary to people.

After elaborating 'undertaking' and 'profession' terms, live streamers are more fit to be considered as undertaking. This because they are involved in financial activity since their viewers can pay/reward them in virtual currency. Even while they may not have a profit-driven goal, they are able to receive rewards since the SLSS platform makes it possible for them to do so, and they eventually monetize these incentives to fund their bank account. Therefore, under Article 4(1) which allows Member States to regulate further any undertaking which posses risk of money laundering and terrorist funding, live streamers can be regulated as obliged entities of AML rules regime and conducting several obligations as stated under AMLD 2015 such as risk assessment, monitoring and reporting, and customer due diligence.

From the point of view of AMLD, live streamers are responsible as natural person and will commence their obligations compliance without prior training, knowledge, and limited ability while imposed by sanction ad criminal liability. Consequently, this could be a challenge for live streamers as personal to comply the AML rules and might reducing effectiveness of AML measures in live streaming activity. It is different if they are considered as professional which have basic knowledge on the profession, participating in training and upgrading by profession's organization (e.g about anti-money laundering measures), and certified/licensed by the government that could increase the ability to comply to AML rules.

Regulating natural persons such as live streamers which is bearing them with several obligations in Anti Money Laundering measures, may have impact, either theoretically or practical. The following sub-section elaborates the potential challenges and benefits of regulating live streamers as obliged entities under EU AML regime.

### 2.2.1 Impact of Regulating Live Streamers as Subject of AML Rules

This sub-section contains a balanced discussion addressing both the challenges and benefits regarding regulating live streamers as obliged entities. Compliance with AML regulations can pose significant challenges for live streamers.

**First**, it is the difficulties to detect and report users who reward them. The anonymity of an account, multiple account usage, and fake account can be used by a user to reward live streamers. Furthermore, in extreme way as tool for some users to commence cyber money laundering. In using social media especially SLSS platforms, not every user put their real name or detailed identity for username in SLSS Platform. When a live streamer receives reward from their audience, it is indicated on the SLSS account regarding where the rewards come from. Thus it is clearly stated and the live streamer is aware of who is the sender of a reward. However, what indicated on the SLSS are only username. There is no specific detail regarding identity or source of money of the sender. Therefore, there is no guarantee that live streamer is fully understand the owner of a username and even not knowing the user's source of money. In addition, the usage of fake or multiple accounts could increase the anonymity challenge. To obscure detection of identification, a user could make and use a "dummy" account which consist of random number or letters without indicating any name or something. This kind of method could be one of cyber money laundering method, especially by rewarding live streamers. SLSS does not prevent such account to reward a live streamer, thus live streamer still can receive reward from any user even without clear identification. Another anonymity challenge is multiple accounts usage. There is opportunity for a consumer to use multiple accounts in 1 SLSS platform. If one account are identified by the live streamers after rewarding activity, the identified user might have second or third account with different username to participate in live streaming activity. Those other accounts later can become tool to send more rewards to the streamers and possess further risk for cyber money laundering practice. This method is beneficial for money launders as it is obscuring detection and transaction flow by dividing their SLSS account and commencing multiple rewarding transactions on different time. *inter alia* this method possess high difficulty for live streamers to monitor, detect, and report any suspicious transactions if they are obliged by such obligations.

**Second,** Live streamers lack resources and expertise to implement robust AML controls. Live streamers' have various motives in commencing their live streaming activity. Some are just simply using SLSS platform for sharing purposes such as sharing tips and trick, giving opinion, or reviewing something, while indeed some others making this activity as routine activity for earning income. They are focusing on their skills in social media/platform usage and generating online content. the more they content has good quality, audiences will be more loyal and appreciate them by rewarding. Regardless live streamers' motives, SLSS always facilitate the audience to reward the live streamer. Moreover, live streamers possess dual status of both as consumer of SLSS and undertaking. Therefore, the vary of motives, media-oriented skills and the status of streamers as consumers would make the implementation of several legal obligations of AML provisions burdensome and as further result would decrease the effectiveness of extended AML rules regulated by Member States in establishing preventive and enforcement measures of cyber money laundering, especially in live streaming activity.

**Third,** Over-inclusive rules. The definition of live streamers remain questionable as the dual status of them as undertaking and user of SLSS platform. Bearing the obligation of AML controls to live streamers would be more inclusive-focus on their capacity as undertaking rather than consumer which should be protected from cyber money laundering practice. Without SLSS and its feature, live streamers will not be able to commence their live streaming activity and receive rewards. Thus, in this context strengthen their position as consumer. Undertaking-focused AML rules would leave the consumer side of live streamer. Furthermore, all streamers regardless their motives will be captured by the regulation and thus obliged by AML obligations. The extended regulatory captures will also include small/beginner live streamers which they may have no profit or entertainment intention, and have no any clue about SLSS features and how to generate popular content yet. Consequently, all natural person who conduct live streaming, especially those who focuses themselves as live streamers either small or popular one, and regardless of their motives will be captured under AML rules thus, burdened with compliance of AML obligations and could be sanctioned in case of non-compliance.

**Fourth,** lock-in rules as it is focus on live streaming activity. Existing regulation will benefit some groups while disfavor others. When there is a possibility of change, those who favor the status quo are likely to seize the opportunity because they can



organize more easily than those who are disfavored (that is, those who favor can form a dominant interest group).<sup>81</sup> There are other self-generated content activities with subscription/reward method to obtain revenue, for example limited content on Patreon, Onlyfans, Exclusive Instagram content, Membership youtube video. The change (i.e. extended scope) in AML rules regulated by Member States with specific focus on live streaming activity would let loose those other subscription/reward based activities to be captured under AML rules. Considering those other self-generated content activities may pose money laundering risk as well as live streaming, however those activities are not obliged by AML controls obligation.

**Lastly**, from regulatory perspective, as impact of the openness of Article 4(1) AMLD which allows Member States to regulate extension of AMLD scope, there will be a chance of different national provision regarding live streamers AML controls among EU Member States. As hypothetical example, Belgium might not want to expand the scope because they think live streamers operated in Belgium possess low-risk of money laundering, whereas Netherlands decide to expand the scope thus Dutch live streamers are subject to EU and national AML rules. Not just regarding the scope, even if several Member States are choosing to expand the scope of AMLD, the AML controls obligation might be different as well among EU Member States. For example, France, Belgium, and Netherlands decide to expand the scope of AMLD to capture live streamers as subject under the Directive. Each of these Member States might have different risk assessments on live streamers in their countries which resulted in different implementation on AML controls for instance, on one hand Belgium assess live streamers are possessing low-risk thus it imposes live streamers to apply simplified customer due diligence as regulated under Article 15 AML Directive. On the other hand, Netherlands recognize live streaming as posing high-risk, thus obliging live streamers who operates in the Netherlands to conduct enhanced customer due diligence procedure as stated in Article 18 AML Directive. As further impact of these situations which indicates different regulatory measures and different practical AML controls among Member States' national law, live streamers might choose the most lenient country to operate their live streaming activity. Furthermore, this would weaken Anti-Money Laundering measures in cyber realm, and the derivation of Article 4(1) AML

---

<sup>81</sup> Clayton P. Gillette (1998), 'Lock-In Effects in Law and Norms', 78 BU L Rev 813, pp. 820

Directive 2015 by EU Member States would not be seen as proper measure in regulating live streamers as AML subject in EU.

I have discussed the drawbacks of extending the scope of AML Directive 2015 by putting live streamers as subject to national AML rules and bearing them with AML control obligations. To address these drawbacks, there are several options such as sharing responsibilities with SLSS platforms, considering the platforms prominently another main actors with pivotal role in live streaming activity. For instance, Customer Due Diligence could be imposed to SLSS because they might have a data regarding who purchase the virtual items, when, and how much they spend to the live streamers. Another option is invoking Article 25 and 26 AMLD 2015 that allows Member States to permit obliged entities to request assistance from a third party. In this context, live streamers can hire third parties as regulated under Article 26 AMLD 2015 to commence Customer Due Diligence process. Nevertheless, this is certainly costly.

Besides those disadvantages, regulating live streamers as subject to AML provisions provide several benefits rather than not regulating them at all. **First**, live streamers definitional dilemma could be resolved. Live streamers subjectification in AML regulations will put them clearly in legal regime. They are not casual natural person anymore who simply using SLSS because live streaming activity is acknowledged by law and thus bear legal obligations. As result, other legal regimes may legislate further on live streamers as subject to certain rules and making live streaming activity more than social media activity but also legitimate financial activity which subject to EU financial rules such as Tax regulation, and Crypto Assets possession. If applicable, making live streaming as main activity of a person based on certain criterias and recognize live streamers as profession.

**Second**, enhancing live streamers protection from being a medium of cyber money laundering. Implementing several AML obligations will protect live streamers legally from money launders who use the benefit of rewarding feature of SLSS platform. Further result of this, cyber money laundering operation could be decreased gradually as the money launder will be more cautious to operate their money laundering activity toward live streamers as they are obliged by AML rules which can detect and track money laundering operation. For example, Customer Due Diligence to identify their audiences especially those who have sent rewards, monitoring regarding transaction flow and quantity, and reporting suspicious transfers (i.e without clear identification such as unclear username and huge number of transfer). While it seems

burdensome for a beginner or small live streamers as discussed beforehand, making them as subject to AML rules and thus give them obligations of AML controls will provide a proper protection from being medium of money laundering. Socially speaking, beginner live streamers need audience to grow their channel bigger and eventually they become micro-celebrity. Moreover they might have economic motive to seek revenue as passive income. These vulnerabilities are most likely being used by money launders to watch those small live streaming channel and reward the live streamers as much as they can. By imposing those beginner/small live streamers with AML control obligations, they will be protected from this vulnerability as money laundry vessel.

As conclusion of the explanation regarding the capacity of live streamers under EU AML rules, it is concluded that live streamers are not subject to EU AML rules. However, Article 4 (1) of AML Directive 2015 gives opportunity to Member States to regulate further certain profession or undertaking to become subject to AML rules. Live streamers possess definitional dilemma as professional, but they can be considered as undertaking. Reflecting on the actual case in Indonesia and after assessing risk possessed in live streaming activity, live streamers are fit to become subject to AML rules in spite of the drawbacks are overcoming the benefits.

The next following section will discuss whether SLSS platforms are subject to AML rules and their position in Market in Crypto-Assets (MiCA) regulation as some of SLSSs are issuing virtual items or tokens as tool for rewarding live streamers during live streaming session.

### **2.3 SLSS Platforms' as Subject to EU AML Rules and Regulating Impact**

Likewise, SLSS platforms also play a crucial role in live streaming activity. They act as gateway for live streamers to air and commence their streaming activity. In addition, SLSS platforms also facilitate consumer to reward the live streamers by issuing virtual items and tokens as transaction method for instance in Bigo Live and Tiktok or by facilitating consumer to directly donate to the live streamers such as in Twitch.

The mentioned financial transaction which commenced in SLSS platforms possess money laundering risk. The risk exist in crypto-assets transaction where consumer change their fiat money into new form of assets (e.g tokens, coins). this type of

transactions need to be assessed carefully to prevent money laundering practice. AMLD 2015 provides obligations for obliged entities to commence anti-money laundering measures. To see if those obligations can be implemented to SLSS platforms, it is prominent to identify whether they are subject to the Directive.

To see SLSS platforms are subject to AMLD 2015, Article 2(1) has to be elaborated. **First**, SLSS platforms are clearly not a financial institution, credit institution. **Second**, they are not one of any natural or legal person commencing professional task as regulated under Article 2(1) number 3 such as auditor, external accountants, tax advisor, notaries, legal professionals, estate agents nor gambling service provider.

**Third**, regarding ‘*Other persons trading in goods to the extent that payments are made or received in cash in an amount of EUR 10.000 or more...*’ as stated in Article 2(1) number 3e, SLSS platforms are facilitating live streamers’ content generation in real time. Therefore, SLSS platforms are not trading any goods. Their main nature are social media which offer live streaming service to be used by live streamers and be enjoyed by SLSSs’ consumer. Furthermore, there are SLSS platforms that offering virtual items and tokens as transaction method for rewarding live streamers. But these virtual items are not considered as goods under the framework of AMLD due to their virtual nature. Regarding issuance and trade on these items will comply to other regulatory framework, for instance Market in Crypto Assets Regulation (MiCAR). Lastly, the purchase transaction which commenced between the platform and its users is not in cash method. Users who want to purchase those virtual items will pay an amount of money to the platform which can be done by credit card or transfer through payment gateway.

To conclude, according to Article 2(1) AMLD 2015 SLSS platforms are excluded from the scope of this directive, thus they are not subject to any provision of this Directive. This is because they are not financial institution, credit institution, gambling provider, trust company, or estate agents. They are platforms with social media nature and provide features which support live streaming activity. Moreover, even though SLSS platforms are offering virtual items or tokens for audience, this is not considered as trading of goods. In addition they are not receiving the payment in cash because audience who purchase virtual items are directed to pay through credit card or payment gateway.

As elaborated beforehand, several SLSS platforms are offering virtual items and tokens as transaction tools for consumer to reward live streamers. The financial sector has undergone significant upheaval due to financial innovation. In addition to improving financial inclusion, new technologies, services, and goods provide effective substitutes for traditional financial products. However, some of these cutting-edge goods can draw terrorists and criminals who want to use them to finance their illegal operations and launder the proceeds of their crimes because to their speed and anonymity.<sup>82</sup> In order to make it clearer how anti-money laundering and counterterrorism funding regulations apply to virtual assets and virtual asset service providers, the FATF strengthened its standards. As of right now, nations must evaluate and reduce the risks connected to the financial operations and providers of virtual assets, license or register these providers, and subject them to oversight or monitoring by appropriate national authorities. The applicable FATF measures that are applicable to financial institutions also apply to issuers of virtual asset services.<sup>83</sup>

Even though AMLD 2015 has excluded SLSS platforms as subject to the Directive, there is established EU regulatory product which may include SLSS platforms as subject to AML rules. Those rules are exists in Regulation (EU) 2023/1114 as known as Market in Crypto-asset Regulation (MiCAR)

The Union's approach to cryptoassets and its capacity to profit from them while reducing the dangers will be shaped by the adoption of the Market in Crypto-asset Regulation (MiCaR), the first complete regulation of cryptoassets globally.<sup>84</sup> In cases where it comes to regulating cryptocurrency assets, the European Union has led the way. In particular, one of the first initiatives globally to offer a thorough regulation of the market is the implementation of the Market in Crypto-assets Regulation (MiCAR).<sup>85</sup> MiCaR intends to provide a regulatory framework tailored to crypto-assets and their unique governance model because it specifically focuses on decentralized assets.<sup>86</sup> Under the comprehensive rules in MiCAR regarding cryptoasset, several AML rules are also included in this regulation. The main pinpoint which connect MiCAR to

---

<sup>82</sup> FATF, 'Guidance for a Risk-Based Approach to Virtual Assets and Virtual Asset Service Providers'. Available at <https://www.fatf-gafi.org/en/publications/Fatfrecommendations/Guidance-rba-virtual-assets.html> accessed on 11 June 2024

<sup>83</sup> *Ibid.*

<sup>84</sup> Giulio Soana (2024), 'The Anti Money Laundering Regulation of Crypto-assets in Europe A Critical Analysis', KU Leuven, pp. 14

<sup>85</sup> *Ibid.*, pp. 28

<sup>86</sup> *Ibid.*, pp. 117

EU AML rules is written on Recital 16 of MiCAR as follows “...*For that reason, entities offering services falling within the scope of this Regulation should also comply with applicable anti-money laundering and counter-terrorist financing rules of the Union, which integrate international standards.*”<sup>87</sup> This recital imposes any entities that subject to MiCAR to comply with EU AML rules as regulated by AMLD. Consequently, these entities will be considered as obliged entities, and thus obliged to conduct AML control obligations as regulated in AMLD.

MiCAR’s scope covers both natural and legal entities, as well as a few other undertaking, that **issue, provide to the public**, allow for trading in, or provide services pertaining to cryptocurrency within the Union.<sup>88</sup> Furthermore, SLSS platforms role on financial transaction in live streaming activity must be identified specifically according to several rules in MiCAR.

**First**, MiCAR defines crypto-asset as a digital representation, through distributed ledger technology or a comparable technology, of a right or value that may be electronically transmitted and stored.<sup>89</sup> Virtual items, coins or tokens that issued and offered by SLSS platforms are considered as crypto-asset. Because these items are representative form of value of fiat money which has been purchased by SLSS users, to be owned by users, and with means as reward for live streamers. **Second**, MiCAR identifies issuer and offeror as either a legal or natural entities or undertaking, that issues crypto-assets<sup>90</sup> and makes them available to the public.<sup>91</sup> SLSS platforms which impose transaction by virtual items are clearly issuing their own crypto-asset and offer it to their users publicly so it can be purchased. **Third**, in terms of offer to the public, MiCAR emphasizes on a communication to individuals in any format and through any channel that provides enough details about the terms of the offer and the cryptocurrency assets to be offered to allow potential holders to choose whether or not to buy those crypto-assets.<sup>92</sup> The way SLSS facilitates its users to reward live streamers only by using virtual items or tokens is indicating a communication which allows users to decide purchase those virtual items or not. If users do not purchase those virtual items, they are unable to reward the live streamer.

---

<sup>87</sup> Market in Crypto-Asset Regulation (MiCAR) Recital 16

<sup>88</sup> *Ibid.*, Article 2(1)

<sup>89</sup> *Ibid.*, Article 3(5)

<sup>90</sup> *Ibid.*, Article 3 (10)

<sup>91</sup> *Ibid.*, Article 3 (13)

<sup>92</sup> *Ibid.*, Article 3 (12)

To conclude, SLSS platforms which imposing the usage of virtual items as medium of transaction for users rewarding a live streamer are identified as legal entities who issue virtual items as crypto-assets and offering those items to users publicly. Therefore, those platforms fall under the scope of MiCAR, and according to Recital 16 MiCAR they are considered as obliged entities as regulated under AMLD.

SLSS platforms' position in EU AML rules has been defined. As a result of any legislations, there are impacts adhered. The next sub-section will elaborate the advantage and disadvantage of SLSS platforms as subject to EU AML rules.

### **2.3.1 Impact of Regulating SLSS Platform as AML Subject**

This sub-section contains a balanced discussion addressing both the drawbacks and favors regarding SLSS platforms as obliged entities under EU AML rules. Compliance with EU AML rules pose a favor in further global compliance of anti-money laundering.

In order to successfully identify and stop the financial system from being abused for terrorist activities, money laundering, or the spread of weapons of mass destruction, the private sector is essential.<sup>93</sup> The financial system is shielded by the FATF Recommendations against money laundering, terrorism financing, and the spread of weapons of mass destruction by means of robust national control mechanisms. The FATF has produced a thorough collection of guidelines and best practices to help both public and private sector organizations implement the requirements of the FATF Recommendations.<sup>94</sup> With the role of SLSS platforms in preventing money laundering activity, this strengthen private sector role, especially entertainment field in preventing money laundry and supporting law enforcement on cyber money laundering. For example, SLSS could legislate internal policy or code of conduct, creating infrastructure for AML prevention/detection, and reporting suspicious account and activity in live streaming activity. In addition, the role of SLSS platforms in preventing money laundering will help EU as a union and Member States in compliance with FATF standards regarding anti-money laundering on virtual assets market.

---

<sup>93</sup>FATF, 'Private Sector'. Available at <https://www.fatf-gafi.org/en/pages/Private-sector.html> accessed on 11 June 2024

<sup>94</sup> *Ibid.*

The benefit of regulating SLSS platforms under EU AML rules has been explained above. Besides this benefit, regulating live streamers as subject to AML provisions provide several drawbacks. **First**, over-inclusive scope which could only SLSS platforms with virtual items as transaction method. Some SLSS platforms are offering virtual items as rewarding method, whilst there are other SLSS platforms which allow audience to reward live streamer directly with fiat currency, for example is Twitch. If the AML rules only focusing on SLSS platforms that issuing and using virtual items as medium of transaction, other SLSS platforms with direct donation method would loose from being subject to AML rules. To address this situation, SLSS platforms that apply direct donation for rewarding transaction could be regulated as EU AML subject by EU Member States invoking Article 4(1) AMLD 2015 which can extend the scope of the Directive to any profession or undertaking that has not been subject to the Directive. **Second**, burdensome and costly for SLSS platforms because of their nature and infrastructure. SLSS platforms mainly a social media, their goal is to offer entertainment and social networking for their users. Therefore, their infrastructure are focusing on features which support the main function as social media. Imposing them with AML obligations might increase cost to implement those obligations or supplementing infrastructure and source to prevent cyber money laundry. To address this situation, Article 25 and 26 of AMLD 2015 provide option for Member States to permit obliged entities to use third-party service for commencing Customer Due Dilligence (CDD) as one of AML control obligations that regulated under AMLD 2015.

As conclusion of the explanation regarding the position and role of SLSS platforms under EU AML rules, it is concluded that SLSS platforms are not subject to AMLD 2015. Nevertheless, several MiCAR provisions have captured those SLSS platforms that issuing and offering virtual items as transaction method for rewarding feature as subject to EU AML rules. The benefit of regulating SLSS platforms as subject to EU AML rules has strong effect on EU and Member States compliance with global anti-money laundering standard in spite of the drawbacks that exist as effect of this regulatory measure.

After elaborating the impact of regulatory measures, both regulating live streamers and SLSS platforms contain challenges and opportunities. The next chapter will discuss the solutions regarding other regulatory measures for SLSS platforms and live streamers while keep complying as subject to EU AML rules.



## CHAPTER 3

### Solution

#### 3.1 Self-Regulation of SLSS Platforms and Live Streamers

Non-legislative instruments provide a significant part in the governance of a number of issues, either by supporting legislation or by existing in parallel with it in various ways. The term "self-regulation" refers to a wide range of tools, including certification, trust marks, technical standards, codes of conduct, and seals. There are various definitions for the term itself, as well as various methods for approaching self-regulation. In order to define it precisely, the terms "self" and "regulation," which are included in the word self-regulation, need to be defined.<sup>95</sup>

Self-regulation is a mechanism in which a group of individuals or organizations acts in cooperation to fulfill a regulatory role for both themselves and those under their jurisdiction.<sup>96</sup> Therefore, a combination of individuals or bodies that act collectively is referred to as the "**self-**". The collective group does not exercise self-regulation for themselves only, but it also regulates other individuals or organizations that submit to its authority. In the context of self-regulation, the term "**regulation**" refers to the ability of the self-regulating organization or entity to make rules. As mentioned beforehand, these rules can be articulated in a variety of instruments.<sup>97</sup>

Similar to state regulation, self-regulation is dependent on control architectures. These architectures are necessary for both types of regulation.<sup>98</sup> In general, bottom-up control values are what the present architectures provide. This does not imply that the government cannot regulate; rather, it can employ covert strategies to provide incentives that will influence bottom-up behaviour.<sup>99</sup>

The government has the authority to enforce modifications to the architectures, which would lower the cost of self-regulation and encourage more self-regulations.<sup>100</sup>

---

<sup>95</sup> Irene Kamara (2017), 'Co-regulation in EU personal data protection: the case of technical standards and the privacy by design standardisation 'mandate'', 8 *European Journal of Law and Technology* 1, pp. 3.

<sup>96</sup> Julia Black (1996) 'Constitutionalising Self-Regulation', 59 *The Modern Law Review* 1, pp. 27

<sup>97</sup> Kamara (n 93).

<sup>98</sup> Lawrence Lessig (1999), 'The Law of the Horse: What Cyberlaw Might Teach', 113 *Harvard Law Review* 2, pp. 520

<sup>99</sup> *Ibid*, pp. 544

<sup>100</sup> *Ibid*, pp. 520

The way the state views self-regulation results in additional classifications into "sanctioned," "coerced," and "voluntary."<sup>101</sup>

The impacts of self-regulation rules are varied as the concepts of self-regulation. In order to assess the legal impacts of self-regulation regulations in any circumstances, Bonnici creates three criteria linked to state regulations. The criterias as follows:<sup>102</sup>

1. **The rules' ability to bind parties:** The aim of the rule's creators, as stated in an explicit statement, and the presence of sanctions for breaking the rule can be used to determine if a rule has legal force behind it.
2. **Transparency in the rules and the rule-making process:** Only when the intended regulatory target is aware of the rule's existence and the formulation process beforehand can the self-regulation rules have legal force.
3. **Legal certainty:** this is determined by the regulations' public nature, stability, and clarity.

In the context of anti-money laundering measures on Live Streaming business model, there are several options for each SLSS and Live streamers to establish self-regulation for preventing cyber money laundering practices. **First**, for the SLSS platforms, they could enable code of conduct for live streamers and their audience. The code of conduct can focus on:

1. **Limiting rewarding architecture:** The code focuses on limiting audience rewarding transaction with aim to limit the audience from commencing unlimited transaction and preventing a mundane amount of rewards toward the streamers. The limitation can be applied such as limiting transaction per day or limiting the amount of rewards per account. By per day method, users only have several attempts to reward, this will reduce the number of commenced transaction in the SLSS Platform. Whereas the amount-limit method will provide a threshold regarding maximum amount of money or tokens that can be rewarded, thus a user will not be able to reward live streamers beyond the threshold. As another impact of this architecture, live streamers will receive limited amount of reward as well. Consequently, this enhances their protection from receiving allegedly bad money of cyber money laundering activity.

---

<sup>101</sup> Black (n 94)

<sup>102</sup> Jeanne Pia Mifsud Bonnici (2008), 'Self-Regulation in Cyberspace', T.M.C. ASSER PRESS.

2. **Impose criterias to limit certain live streamers from earning rewards:**

Limiting in this context is excluding a certain live streamers from receiving rewards. The limitation can be based on subscriber, follower, or the number of audiences. the SLSS will apply its 'rewarding architecture' to impose only live streamers who have a certain number of subscribers, followers or audiences can receive reward. For example the minimum subscriber to be able to receive reward is 1.000.000 subscribers or after reaching 1000 audiences the SLSS will activate the rewarding features. As result of this, not all live streamers can receive reward and on the other side, audience cannot conduct rewarding transaction to a live streamer who is still under those threshold. Furthermore, beginner or small streamers will be prevented from receiving rewards, thus can reduce their risk of being used as medium of cyber money laundering, and they will not obliged to conduct AML controls obligation which burdensome. In addition, applying this architecture will enhance the focus of live streaming activity for entertainment purposes rather than income-focus. Live streamers can focus on making a good and greater self-generated content to attract more audience and thus opening the reward architecture after meet those certain thresholds.

**Second**, for live streamers with a support from SLSS architecture, must create and keep the list of users/audiences who have transfered rewards. The list later becomes an archive for them and gives clear indication regarding how many users have rewarded, how much the amount, and how often the transactions were occurred in a day or a month.

Moreover, SLSS may request the live streamers to publish those lists publicly through a feature in the SLSS itself. In case there are detected cyber money laundering activities, this list could become an evidence for law enforcement to track the transaction flow and seek the owner of a username who rewards the streamer. This listing and publication method can be seen as simple implementation of Know Your Customer (KYC) principle of the live streamers with support from the SLSS. Therefore, even if the live streamers receive the rewards which may possess bad money from money laundering activity, they are protected from being prosecuted as they are already commencing their AML controls by creating list of rewarding transactions and publish it publicly through SLSS.

In addition, besides for law enforcement support, these method could become a source for government to determine the total turnover of a person. As already discussed in prior section, live streaming activity are positioned in between social media activity for entertainment purposes or main activity of a person with aims to obtain income. In relation to the exception provision in AML Directive 2015, total turnover become a threshold to decide whether a financial activity is main activity of a person or not. With a clear indication from the list regarding the live streamers income from rewarding transaction, government of a Member State can decide if the amount of income obtained by the streamers is enough to be considered as total turnover. Consequently, as stated in Article 2(3) AML Directive 2015, if financial activity in live streaming provides income for streamers which exceed 5% of the total turnover, then live streamers cannot be exempted from AML Directive 2015 rules and strengthen the reason to invoke Article 4(1) of AML Directive 2015 for the Member States to expand the scope of AML rules.

As the conclusion of live streaming code of conduct as form of self-regulation, Co-regulation is the prominent category because the code of conduct is referring to EU AML rules which regulated by government, therefore even if the self-regulatory focuses on relation between live streamers and SLSS to prevent cyber money laundering, governmental body is necessary to ensure the enforcement of the code of conduct, for instance in EU there are Anti-Money Laundering Authority (AMLA) or EU Influencer Legal Hub that could provide assistance in controlling live streamers compliance to the code of conduct. According to Bonnici's criterias for self-regulation, limiting transaction, impose live streamers criteria, and list-publish transactions ensure the self-regulatory can bind both parties. As SLSS will adjust their architecture to apply and live streamers will generating content to meet the criteria while keep monitoring on rewards from audiences for those who have met the criteria. Transparency is ensured as the limit of transaction is published to both live streamers and consumers, while live streamers criteria is also published exclusively on the live streamer. In addition, listing and publishing also part of ensuring transparency. Besides for transparency compliance in obtaining rewards as part of the SLSS code of conduct, this also provide transparency to users, public, and government. Lastly, legal certainty will be ensured because this code of conduct is part of preventing cyber money laundering in SLSS platform as part of EU AML rules compliance while addressing the drawbacks of making live streamers as subject to EU AML rules.

### 3.2 Regulating Specific Rules on Live Streamers

One of four modalities in regulation according to Lessig is Law. The law imposes rules on behavior and threatens to penalize those who disobey it.<sup>103</sup> It controls behavior in online realm; laws pertaining to copyright, defamation, and obscenity all still carry the potential of ex post penalties for infractions. The effectiveness of laws in controlling behavior in cyberspace varies depending on the situation; in some, they are more effective than others. For better or worse, the law nevertheless poses a risk to an anticipated return.<sup>104</sup>

As follow up of expanding the scope and regulating further on AML rules of AML Directive, Member States can regulate several national provisions with specific focus on live streamers as subject to AML rules. There are some options regarding the laws that could be regulated and applied to live streamers. The options as follows:

1. Define explicitly in national law which mention and define Live Streamers as undertaking in financial activity. Member State could regulate such as determine total turnover, and assess if live streamers revenue exceed their total turnover thus live streaming can be defined as main activity with financial activity besides entertainment—if applicable, determine the standards of becoming a live streamer, impose certification, and training to strengthen live streamers position as professional or undertaking with special occupation which is legal before the law. Furthermore, Member State can bear them obligations to abide and implement AML rules.
2. Decide criteria of live streamers to distinguish regarding what live streamers that should abide to AML rules: It would be unfair if regulating all streamers as subject to money laundering. Therefore, Member State can decide several criterias to differentiate streamers regarding applying AML rules. **First**, audience quantity criteria. Member State can impose AML obligations to those who have reached a number of subscribers or followers. In connection with SLSS architecture as explained above, the greater the number of subscribers will activate the rewarding features. This condition will open up the financial activity in live streaming session. Therefore, live streamers whose subscribers/followers

---

<sup>103</sup> Lessig (n 94), pp. 507

<sup>104</sup> *Ibid.*, pp. 520

exceed the regulated criteria are the ones who should abide to AML rules and bear AML control obligations. **Second**, obtained revenue criteria. Member State can decide which live streamers that should abide AML rules by screening their obtained revenue from live streaming activity. Only live streamers, for instance who exceeds the decided revenue threshold shall fall under the AML provisions and obliged to conduct AML controls.

3. Registering certain live streamers to national media authority based on mentioned above criteria. This registration will provide clear number of streamers operated in certain Member State which fulfil the criteria. This registration is also set as public control and monitoring tools for government regarding live streamers compliance with AML rules and if applicable, the general media law and consumer law. As monitoring feedback, the government can impose sanction for non-compliance. In addition to this, law enforcement can use the data from the register if there are found some findings in live streaming activity which indicated cyber money laundering activity. They can examine whether or not the allegedly live streamers who involved in cyber money laundering are already registered and comply to AML rules as they are obliged to.

Law imposes sanctions for non-compliance. Government of the Member State should consider the sanction as well. Further sanction from the government for non-compliance may take the form of temporary account banning, fine, or the final attempt is permanent banning. However providing such sanction may have drawbacks for live streaming business model. **First**, the most notably drawback is ‘too big to fail effect’. For the next several years, live streaming activity is predicted to having a great return. This activity is predicted to grow at a compound annual growth rate (CAGR) of 28% between 2023 and 2032, and it is projected that the valuation will reach USD 256.56 billion by 2032. Live streaming activity have a promising prospect. If such sanctions are applied, there would be less live streamers operated in SLSS, and as further result SLSS can also experiencing gradual decline of live streamers. Consequently, those prediction will not be realized as the enthusiasm of live streaming activity is reduced due to sanctions of non-compliance. **Second**, Under-enforcement rules. In terms of banning account, SLSS platforms are the one who hold the switch. It is rarely that government would dive into architecture of an SLSS. The sanction which take form of banning may become under-enforced as SLSS would not want to lose single streamer

and experiencing declined audience. As the one who has the architecture, SLSS might not comply the sanction to ban a streamer's account. Overseeing a high number of live streamers account would also possess practical challenge to enforce this sanction, and could ended up under-enforcement.

## **CHAPTER 4**

### **Conclusion**

The last chapter of this thesis concludes all discussion on how the Anti-Money Laundering rules and De-risking policy can be employed to support SLSS platform and streamers' business models while effectively addressing AML risks. The conclusions are elaborated as follows.

Live streamers are not subject to EU AML rules as they are clearly not obliged entities stated in AML Directive 2015. However, considering the risk of being used as medium of cyber money laundering, they should be regulated as subject to AML rules. To facilitate this, Article 4(1) of AML Directive 2015 has given opportunity for Member States to regulate further the scope of the Directive and thus AML rules can be applied. Live Streamers are considered as undertaking and therefore Article 4(1) can be used by certain Member States to capture them into AML rules regime. The drawbacks of becoming live streamers as subject to AML rules overcomes the advantages. Those drawback are over-inclusiveness, lock-in effect, anonymity challenges, and regulatory challenges. Whereas the advantages are resolving live streamers definitional dilemma, and enhancing live streamers protection from being a medium of cyber money laundering.

SLSS platforms are not subject to EU AML rules as regulated in AML Directive. They are considered as undertaking who run their business model on social live streaming services and also commence financial function (i.e audience rewarding function and content monetization feature for live streamers) Therefore, SLSS are not included in any of obliged entities of this Directive. For SLSS platforms which issuing virtual items, tokens, or coins, Market in Crypto-Assets Regulation rules are applied as they are issuing and offering crypto-assets to be purchased by audience for them to reward live streamers. Furthermore, according to Recital 16 of MiCAR stated that any entities offering services falling within the scope of this MiCAR Regulation should also comply with applicable anti-money laundering and counter-terrorist financing rules of the Union, which integrate international standards. The advantages of regulating SLSS as subject to AML rules are compliance with FATF recommendations on virtual assets AML prevention, and strengthen private role, especially entertainment field in preventing money laundry and supports law enforcement on enforcing cyber money laundering. The drawbacks are also exists. It is burdensome and costly for SLSS



platforms as social media and entertainment oriented function to implement AML obligations as they have to supplement infrastructure and add more source to prevent cyber money laundry. Another drawback is over-inclusive scope which only focusing SLSS platforms with crypto-assets as rewarding transaction method, and would let loose other SLSS platforms that apply direct donation feature with fiat currency.

De-risking policy is another option to address issue regarding live streamers and SLSS platforms as subject to EU AML rules. This policy has impactful effect on content monetization process on live streaming activity. As a further result, this policy may preventing live streamers to monetize their virtual items and obscuring monetization feature of SLSS. Furthermore, it may reducing financial transaction in entertainment field. The impact caused by de-risking policy which possess bank internal rules might not relevant with the cycle of live streaming activity. The preventive and compliance measures of money laundering are indeed necessary for bank, however, over-protective rules which seem to change totally the function of SLSS and content monetization, may bring domino effect in decreasing economic stability.

Lastly, Legislate and applying code of conduct with co-regulation mode and live streaming-focused national regulation are the solutions for SLSS platforms and live streamers to tackle drawbacks in complying to EU AML rules.

## BIBLIOGRAPHY

### A. Law and Legislatives

1. REGULATION (EU) 2023/1114 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 31 May 2023 on markets in crypto-assets, and amending Regulations (EU) No 1093/2010 and (EU) No 1095/2010 and Directives 2013/36/EU and (EU) 2019/1937
2. DIRECTIVE (EU) 2015/849 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation (EU) No 648/2012 of the European Parliament and of the Council, and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC

### B. Contributed Books

Beldad, A. D, and R. Koehorst. 'It's Not About The Risks, I'm Just Used To Doing It: Disclosure Of Personal Information On Facebook Among Adolescent Dutch Users'. In Gabriele Meiselwitz (Ed.). *Social Computing and Social Media: 7th International Conference, SCSM 2015*. Held as Part of HCI International 2015, Los Angeles, CA, USA, August 2-7, 2015, Proceedings. (Springer 2015. p. 185-195, Lecture notes in computer science No. 9182) [https://doi.org/10.1007/978-3-319-20367-6\\_19](https://doi.org/10.1007/978-3-319-20367-6_19)

Brandtzaeg, Petter Bae, and Jan Heim. 'Why People Use Social Networking Sites'. In A. A. Ozok & P. Zaphiris (Eds.). *Lecture Notes in Computer Science, vol 5621 Online Communities and Social Computing (OCSC 2009)* [https://doi.org/10.1007/978-3-642-02774-1\\_16](https://doi.org/10.1007/978-3-642-02774-1_16)

Joinson, A. N. 'Looking At, Looking Up Or Keeping Up With People? Motives And Uses Of Facebook'. In M. Burnett, M. Francesca, T. Catarci, B. de Ruyter, D. Tan, M. Czerwinski, & A. Lund (Eds.). *The 26th Annual CHI Conference on Human Factors in Computing Systems (2008)*

### C. Journal and Papers

1. Aggarwal, Nikita *et.al.* '#Fintok and Financial Regulation' (2023). 54 Arizona State Law Journal 333
2. Andrew G Malik. 'Worker Classification And The Gig-Economy' (2016). 69 Rutgers U.L. Rev. 1729
3. Atkinson, Paul. 'Do It Yourself: Democracy and Design' (2006). 19 Journal of Design History 1
4. Blackman, Colin and Romain Bosc. 'What is a platform and should they be regulated? Summary report'. Centre for European Policy Studies (CEPS)
5. Black, Julia. 'Constitutionalising Self-Regulation' (1996). 59 The Modern Law Review 1
6. Bonnici, Jeanne Pia Mifsud. 'Self-Regulation in Cyberspace' (2008) .T.M.C. ASSER PRESS
7. Cheung, C. M. K., Chiu, P.Y., & Lee, M. K. O. 'Online social networks: Why do students use Facebook?' (2011). 27 Computers in Human Behavior 4
8. David S. and Richard Schmalenese. 'The Industrial Organization of Markets with Two-Sided Platforms' (2007). Competition Policy International 151.
9. Daniel, Recktenwald. 'Toward a transcription and analysis of live streaming on Twitch' (2017). 115 Journal of Pragmatics
10. De Sanctis, Fausto Martin. 'Technology-enhanced methods of money laundering: Internet as criminal means' (2019). Springer
11. Durner, Tracey and Liat Shetret. 'Understanding Bank De-Risking and Its Effect on Financial Inclusion' (2015). Global Center on Cooperative Security
12. Friedländer, Mathilde B. 'Streamer Motives and User-Generated Content on Social Live-Streaming Services' (2017). Journal of Information Science Theory and Practice
13. Gillette, Clayton P. 'Lock-In Effects in Law and Norms' (1998). 78 BU L Rev 813
14. Guidi, Barbara and Andrea Michienzi. 'SocialFi: Towards the new Shape of Social Media' (2022). 2022 ACM Sigweb Newsletter 5

15. Greenwood, D. N. 'Fame, Facebook, And Twitter: How Attitude About Fame Predict Frequency And Nature Of Social Media Use' (2013). 2 *Psychology of Popular Media Culture* 4
16. Goanta, Catalina. 'The New Social Media: Contracts, Consumers, and Chaos' (2023). 108 *Iowa L. Rev. Online* 118
17. Goanta, Catalina. 'Emerging Business Models and the Crowdfunding Regulation: Income Crowdfunding on Social Media by Content Creators' 2021
18. Goanta, Catalina and Sofia Ranchordas. 'The Regulation Of Social Media Influencers: An Introduction' (2019). University of Groningen Faculty of Law Research Paper Series No. 41/2019
19. Haimson, O. L., and Tang, J. C. 'What Makes Live Events Engaging on Facebook Live, Periscope, and Snapchat' (2017). In *Proceedings of the 2017 CHI Conference on Human Factors in Computing Systems* (New York, NY: Association for Computing Machinery)
20. Hilvert-Bruce, Z., Neill, J. T., Sjöblom, M., and Hamari, J. 'Social motivations of live-streaming viewer engagement on Twitch' (2018). *Comput. Hum. Behav.* 84
21. Hou, F., Guan, Z., Li, B., and Chong, A. Y. L. 'Factors Influencing People's Continuous Watching Intention And Consumption Intention In Live Streaming: Evidence From China' (2019). 30 *Internet Res*
22. Kamara, Irene. 'Co-regulation in EU personal data protection: the case of technical standards and the privacy by design standardisation 'mandate'' (2017). 8 *European Journal of Law and Technology* 1
23. Kim, D., J.H Kim, and Y. Nam. 'How Does Industry Use Social Networking Sites? An Analysis Of Corporate Dialogic Uses Of Facebook, Twitter, YouTube, And LinkedIn By Industry Type' (2014). 48 *Quality and Quantity* 5
24. Kuehl, Heidi Frostestad, 'Free Speech and Defamation in an Era of Social Media: An Analysis of Federal and Illinois Norms in the Context of Anonymous Online Defamers' (2015). 36 *N. ILL. U. L. REV.* 28
25. Lessig, Lawrence. 'The Law of the Horse: What Cyberlaw Might Teach' (1999). 113 *Harvard Law Review* 2

26. Lin, K. Y and H. P. Lu. 'Why People Use Social Networking Sites: An Empirical Study Integrating Network Externalities And Motivation Theory' (2011). 27 *Computers in Human Behavior* 3
27. Lin, Yan, Dai Yao and Xingyu Chen. 'Happiness begets money: Emotion and engagement in live streaming' (2021). 58 *Journal of Marketing Research* 3
28. Lynskey, Orla. 'Regulating 'Platform Power' (2017). LSE Law, Society and Economy Working Papers 1/2017
29. Lv, Xiangyang., Zhang, R., Su, Y., and Yang, Y. 'Exploring How Live Streaming Affects Immediate Buying Behavior And Continuous Watching Intention: A Multigroup Analysis' (2022). 39 *Journal of Travel Tourism Marketing*
30. Martini, Michele. 'Online Distant Witnessing And Live-Streaming Activism: Emerging Differences In The Activation Of Networked Publics' (2018). 20 *New Media & Society* 11
31. Marwick, A. E. and D. Boyd. 'To see and be seen: Celebrity practice on Twitter' (2011). 17 *Convergence: The International Journal of Research into New Media Technologies* 2
32. Michaelsen, Frithjof *et.al.* 'The impact of influencers on advertising and consumer protection in the Single Market' (2022). Policy Department for Economic, Scientific and Quality of Life Policies Directorate-General for Internal Policies European Parliament
33. Moses, Lyria Benett. 'Agents Of Change: How the Law 'Copes' with Technological Change' (2011). 20 *Griffith Law Review* 4
34. Pellegrino, Edmund D. 'What Is a Profession?' (1983). 12 *Journal of Allied Health* 3
35. Raza, Muhammad Subtain., Qi Zhan and Sana Rubab. 'Role of Money Mules in Money Laundering and Financial Crimes a Discussion through Case Studies' (2020). 27 *J Fin Crime* 911
36. Ranchordas, Sofia. 'Does Sharing Mean Caring? Regulating Innovation in the Sharing Economy' (2015). 16 *Minnesota Journal of Law, Science, and Technology* 1

37. Rochet, Jean-Charles and Jean Tirole. 'Platform Competition in Two-Sided Markets' (2003). 1 Journal of the European Economic Association 4 Evans,
38. Scheibe, Katrin *et.al.* 'Information behavior on social live streaming services', (2016). 4 JISTP 2
39. Sjöblom, M., Törhönen, M., Hamari, J., and Macey, J. 'Content structure is king: An empirical study on gratifications, game genres and content type on Twitch' (2017). Comput. Hum. Behav. 73
40. Smiths, Jan M. 'What Is Legal Doctrine? On The Aims And Methods Of Legal-Dogmatic Research' (2015). Maastricht European Private Law Institute Working Paper No. 2015/06
41. Soana, Giulio. 'The Anti Money Laundering Regulation of Crypto-assets in Europe A Critical Analysis' (2024). KU Leuven
42. Van Dijck, José. 'The Culture Of Connectivity: A Critical History Of Social Media' (2013). Oxford University Press
43. Zetzche, Dirk A., Douglas W. Arner, and Ross P. Buckley. 'Decentralized finance' (2020). 6 Journal of Financial Regulation 2.
44. Zimmer, Fransisca., Kaja J. Fietkiewicz, and Wolfgang G. Stock. 'Law Infringements in Social Live Streaming Services' (2017). Springer International Publishing

#### **D. Websites**

European Commission, 'Public consultation on the regulatory environment for platforms, online intermediaries, data and cloud computing and the collaborative economy' (September 2015). Available at: <https://ec.europa.eu/digital-single-market/en/news/public-consultation-regulatory-environment-platforms-online-intermediaries-data-and-cloud>

European Commission, 'Anti-money laundering and countering the financing of terrorism at EU level'. Available at: [https://finance.ec.europa.eu/financial-crime/anti-money-laundering-and-countering-financing-terrorism-eu-level\\_en#legislation](https://finance.ec.europa.eu/financial-crime/anti-money-laundering-and-countering-financing-terrorism-eu-level_en#legislation)

Statista. ‘Most popular video content type for internet users in Spain during 3rd quarter 2023, by weekly usage reach’ (2024). Available online at: <https://www.statista.com/statistics/1306672/online-videos-weekly-consumption-spain/>

TwitchTracker. ‘Total Twitch Streamers’ (2024). Available at: <https://twitchtracker.com/statistics/active-streamers>

META. ‘Facebook and Instagram to Offer Subscription for No Ads in Europe’ (2023). Available at: <https://about.fb.com/news/2023/10/facebook-and-instagram-to-offer-subscription-for-no-ads-in-europe/>

The Creator Investor. ‘How to Make Money on Bigo (2023 Comprehensive Guide)’ (2023). Available at: <https://www.creatorinvestor.com/influencers-money/make-money-bigo-live>

Custom Market Insight. ‘Global Live Streaming Market Size Likely to Grow at a CAGR of 28% by 2033’ (2023). Available at: <https://www.custommarketinsights.com/press-releases/live-streaming-market-size/>

Newzoo. ‘The Esports Audience Will Pass Half a Billion in 2022 as Revenues Engagement, and New Segments Flourish’ (2022). Available at: <https://newzoo.com/resources/blog/the-esports-audience-will-pass-half-a-billion-in-2022-as-revenue-engagement-esport-industry-growth>

FATF, International Standards on Combatting Money Laundering and the Financing of Terrorism and Proliferation

FATF, ‘Guidance for a Risk-Based Approach to Virtual Assets and Virtual Asset Service Providers’. Available at <https://www.fatf-gafi.org/en/publications/Fatfrecommendations/Guidance-rba-virtual-assets.html>

FATF, 'Private Sector'. Available at <https://www.fatf-gafi.org/en/pages/Private-sector.html>

#### **E. Case Law**

Cassa di Risparmio di Firenze and Others v Ministero dell'Economia e delle Finanze (2006) No. C-222/04

Klaus Höfner and Fritz Elser v Macrotron GmbH (1991) No. C-41/90

J. C. J. Wouters, J. W. Savelbergh and Price Waterhouse Belastingadviseurs BV v Algemene Raad van de Nederlandse Orde van Advocaten (2002) No. C-309/99

#### **F. Reports**

TNO report (2015). 'Digital platforms: an analytical framework for identifying and evaluating policy options'. TNO 2015 R11271