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TRM Labs' Iran Analysis:
A Case of Cherry-Picking Data

TRM LABS' RECENT REPORT ON CRYPTO-ASSET USE IN IRAN HIGHLIGHTS THE DANGER OF CHERRY-PICKING DATA

SEPTEMBER 2, 2025

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1. Introduction

TRM Labs published a blog post[1] recently that summarized the situation with Iranian crypto-asset exchanges as, “Declining Volumes, Rising Tensions, and Shifting Trust” citing declining transaction volumes at Iranian crypto-asset exchanges as signs of progress.

While it is true that volumes at the largest Iranian crypto-asset exchange are declining (the largest exchange was hacked and temporarily shut down in what looks like politically-motivated action) the Iranian crypto-asset market actually looks to be getting more resilient.

As has been well-documented for many years, Iran is involved in a number of regional conflicts and its economy has come under significant strain from a range of sanctions-related issues.

This case study takes a closer look at the situation in Iran and highlights the danger of drawing conclusions from headlines, depending on anecdote instead of data.

Further, this case study will present data that suggests:

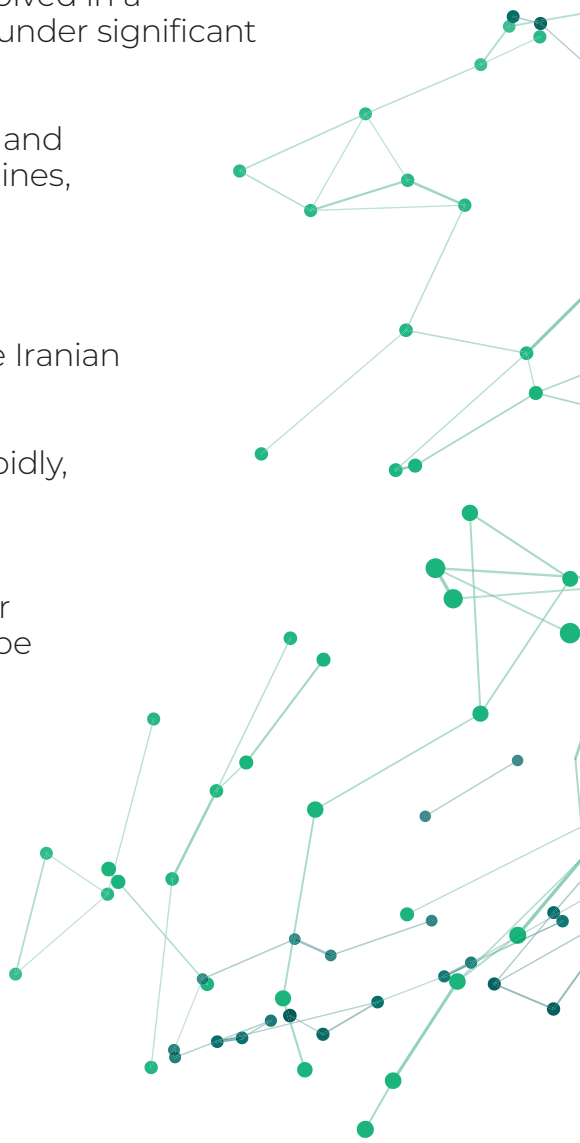
1. TRM Labs' analysis on Iran may be missing a few large Iranian crypto-asset service providers.

2. Smaller crypto-asset service providers are growing rapidly, calling into question the view that crypto-asset use is declining in Iran.

3. Confirmation bias is a clear and present danger. Fewer arrests doesn't mean lower levels of crime, but could be masking far more serious problems.

Even without referring to the data, given that circumstances in Iran have not only remain unchanged but worsened, any claim that crypto-asset use has declined must be viewed with some degree of skepticism.

This case study seeks to peel back the rhetoric and understand how the use of crypto-assets to evade sanctions is evolving rather than dissipating.



[1] https://www.trmlabs.com/resources/blog/irans-crypto-economy-in-2025-declining-volumes-rising-tensions-and-shifting-trust

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2. Unpacking TRM Labs' Iran Findings

According to TRM Labs, between "January and July 2025, total cryptocurrency flows involving Iranian entities fell to USD 3.7 billion, an 11% decrease compared with the same period in 2024."

TRM Labs' data give Nobitex, the largest crypto-asset exchange in Iran and the one that was hacked on June 18, 2025, 87.4% market share in Iran for a recent period.

For Iran's embattled economy and financial system, Nobitex's 87.4% market share for a financial services business is clearly a "fragile situation" given the systemic importance of this exchange, and therefore a prime target for opponents of the regime.

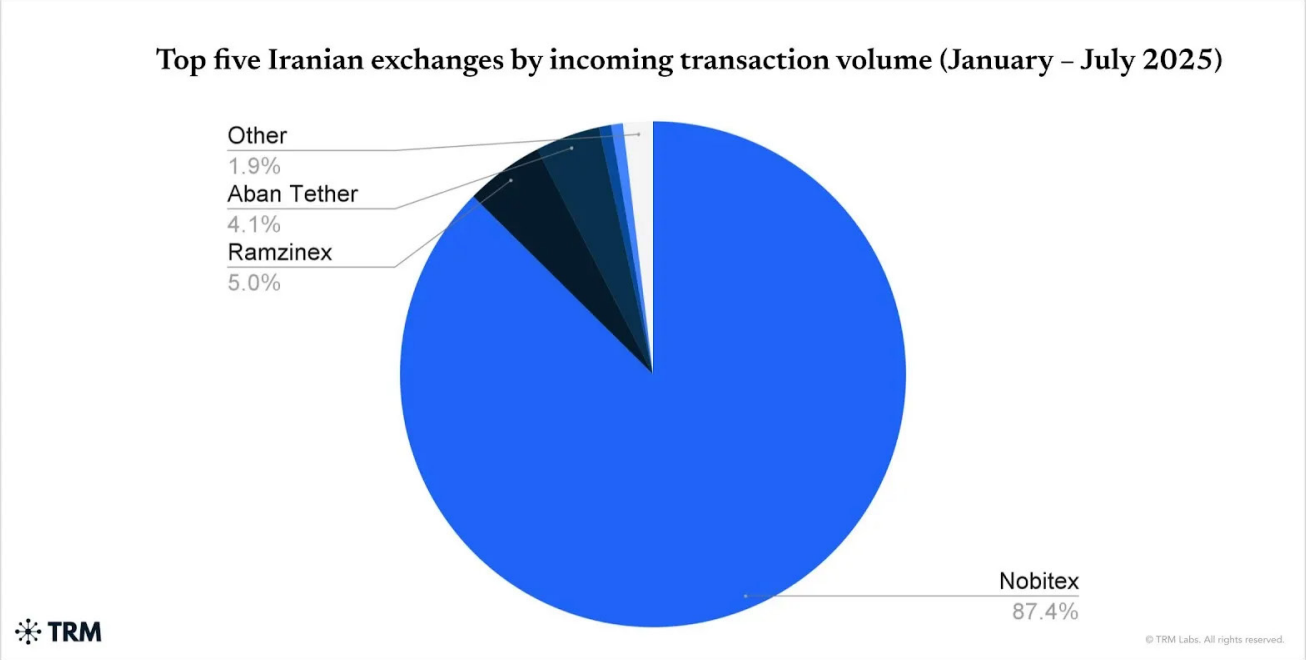

Figure 1. Top Five Iranian Exchanges by Incoming Transaction Volume according to TRM Labs (January - July 2025).

However, only three crypto-asset exchanges are named by TRM Labs, and while it is true that there was a decline of deposits to Nobitex following its hack, there was actually an increase in deposits of USDT to other Iranian crypto-asset service providers.

Contrary to what TRM Labs' claim that "confidence in Iran-based virtual asset service providers (VASPs) deteriorated after the USD 90 million hack of Nobitex, the country's largest exchange, on June 18," blockchain transaction data actually shows that "confidence" in other VASPs appears to be increasing, given the growth of deposits to other Iranian service providers.

While Nobitex may certainly be the biggest show in town, it's not the only one.

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2.1 Aban Tether

Aban Tether is Iran's second-largest crypto-asset exchange and USDT deposit data on the TRON blockchain appears to support TRM Labs' finding that the service provider is around 4.1% of Iran's $3.7 billion crypto-asset market.

It is clear apparent that USDT deposits on the TRON blockchain into Aban Tether in 2025 are lower than for 2024.

However, even after the Nobitex hack, there was in fact a 3.75% month-on-month increase in USDT deposits to Aban Tether from June to July 2025, which seems to indicate that even if Iranians were losing confidence in Nobitex, they weren't necessarily losing faith in crypto, much less Aban Tether.

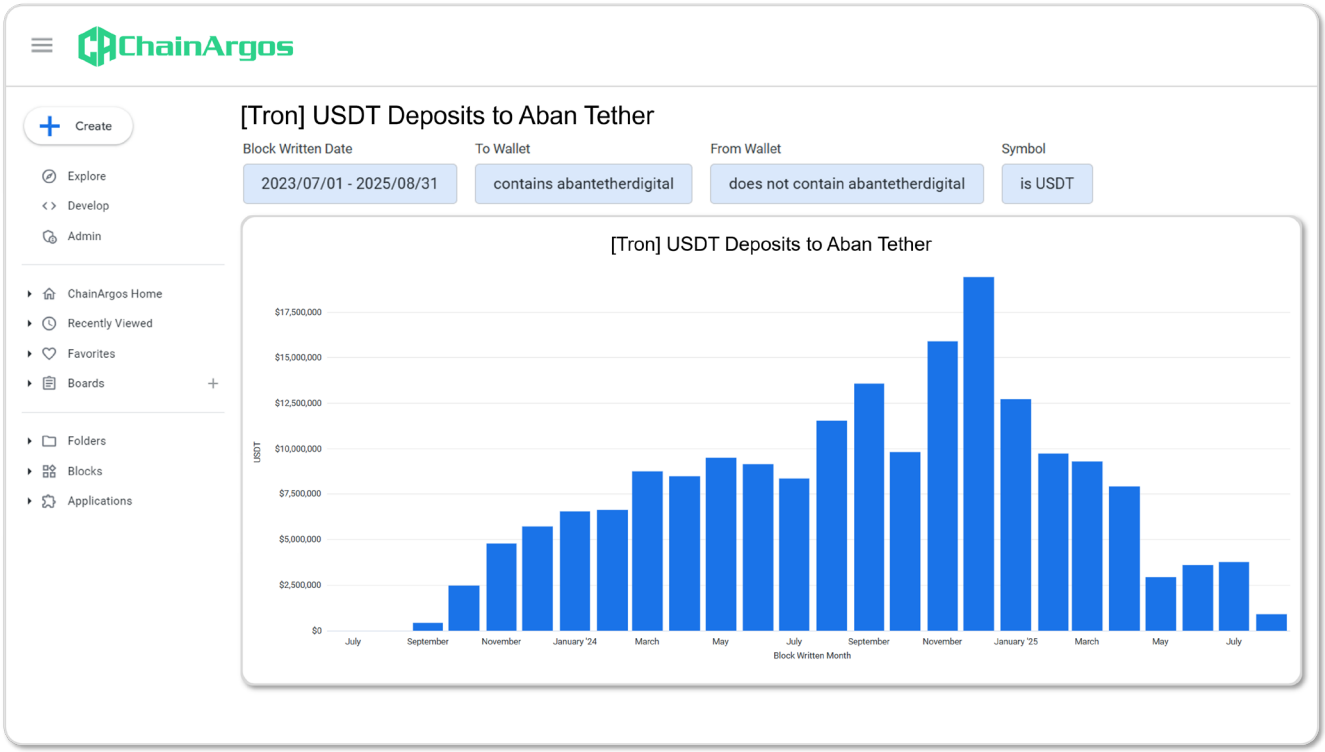

Figure 2. USDT Deposits to Aban Tether. Notice the size of the flows, consistent with the Aban Tether having around 4.1% of Iran's $3bn crypto-asset market. Note also the significant drop off in deposits between January to July 2025.

The goal of this initial exercise is to establish a baseline and demonstrate that we are looking at the same type of data as TRM Labs. The main difference of course is that TRM Labs may be presenting this data differently, and more importantly, might be missing a few key pieces that could lead to misleading conclusions.

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> *"The great enemy of the truth is very often not the lie — deliberate, contrived and dishonest — but the myth — persistent, persuasive, and unrealistic. Too often we hold fast to the clichés of our forebears."*
>
> *"We subject all facts to a prefabricated set of interpretations. We enjoy the comfort of opinion without the discomfort of thought."*
>
> — John F. Kennedy

2.2 The One That Got Away

Because TRM Labs elected to only focus on data between January and July 2025, it also appears to have neglected certain other Iranian crypto-asset service providers who had significant flows.

Take for instance this identified Iranian crypto-asset service provider in Figure 3., which on the Ethereum blockchain alone, has received over $777 million worth of USDT deposits since 2022.

The finding is especially significant given that TRON is the favored blockchain for USDT transactions, not Ethereum.

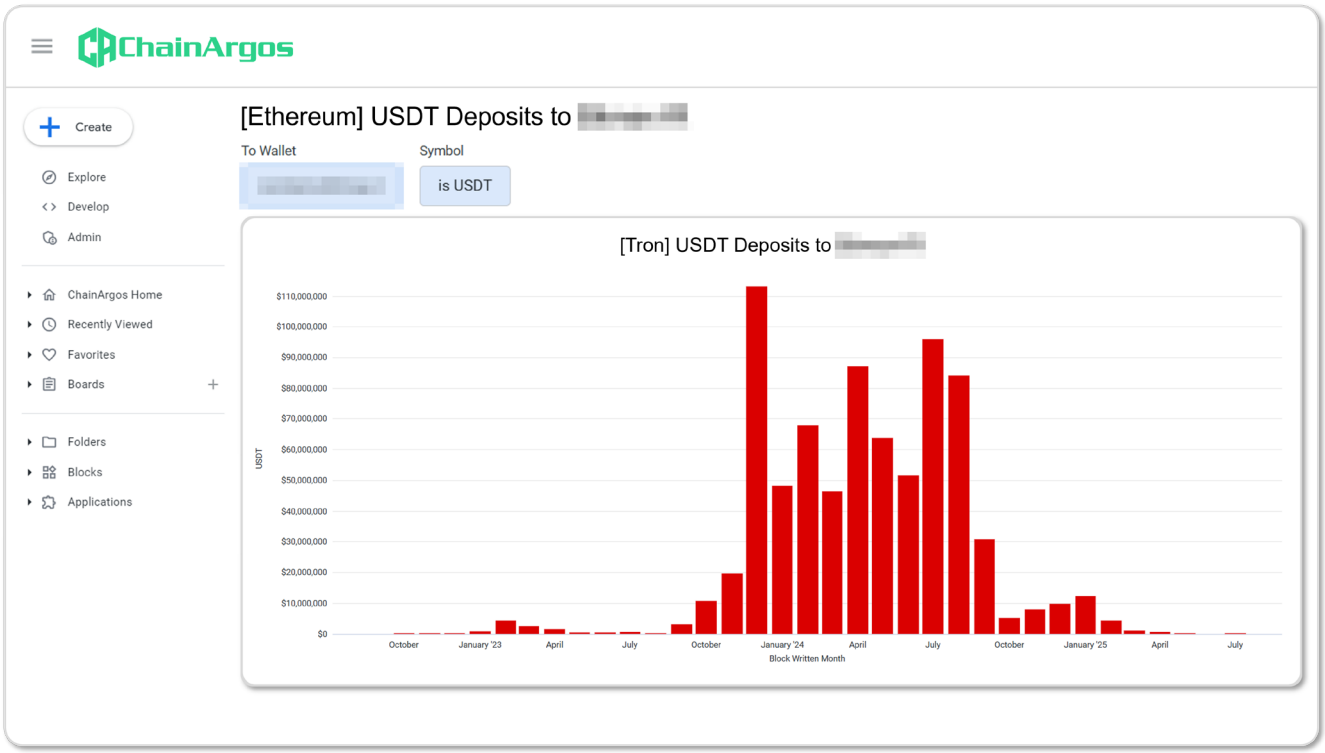

Figure 3. USDT deposits to an identified Iranian crypto-asset service provider on the Ethereum blockchain. The identity of the service provider has been redacted at the request of the provider of this information.

2.3 Iranian Exchanges are Diversified and Growing

TRM Labs' analysis of Iranian crypto-asset activities can be summarized quite simply as "Nobitex transactions on the TRON blockchain have decreased."

While this may be a fair statement, (Nobitex is the most high profile Iranian crypto-asset exchange and operates mainly on the TRON blockchain), it's important to note that Nobitex was also hacked during the period of time under observation by TRM Labs in its report (January to July 2025).

And while Nobitex may reflect a significant portion of the Iranian crypto-asset industry, determining the growth or decline of an ecosystem by its largest organism can be extremely misleading.

> *"I am most often irritated by those who attack the bishop but somehow fall for the securities analyst — those who exercise their skepticism against religion but not against economists, social scientists, and phony statisticians."*
>
> — Nassim Nicholas Taleb

In Figure 4., we observe how USDT deposits on the Ethereum blockchain have actually been increasing in 2025 for Ramzinex, another Iranian crypto-asset exchange, with a noticeable surge in June 2025, after the hack of Nobitex.

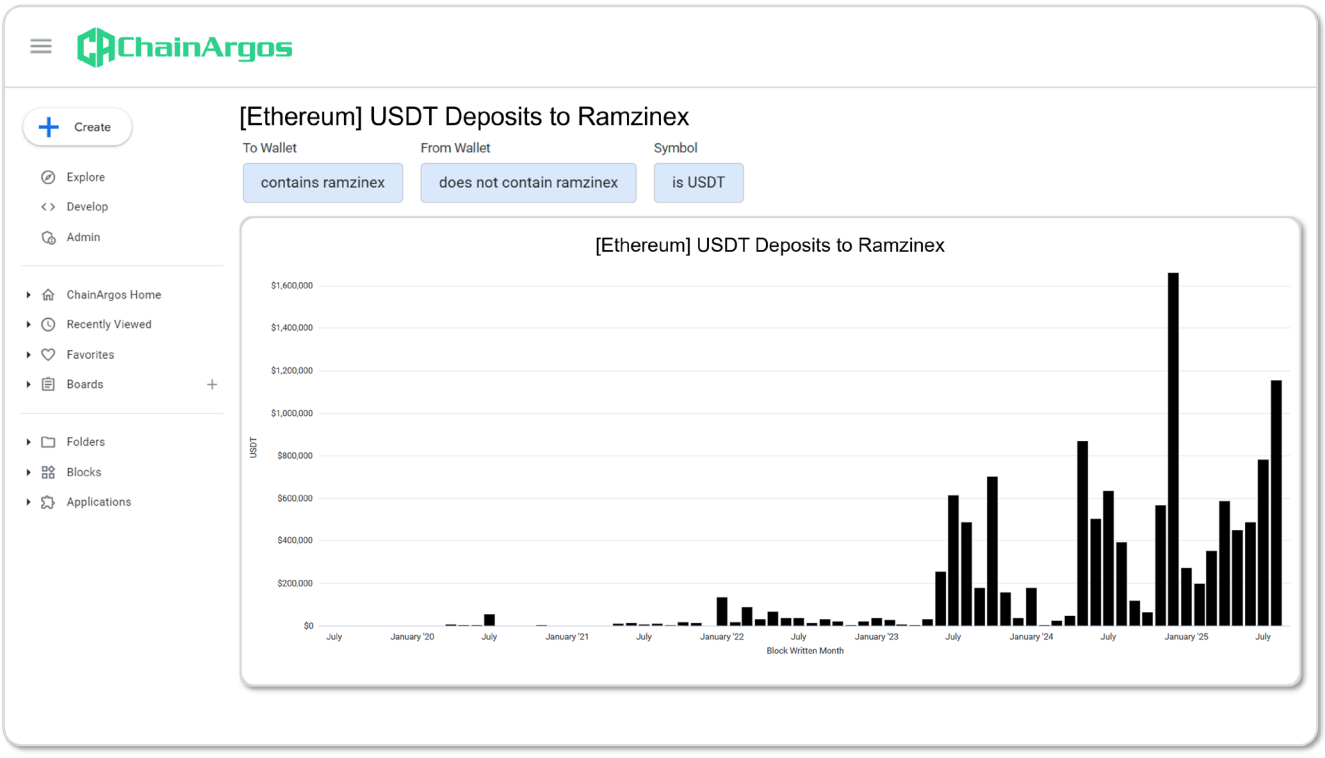

Figure 4. USDT deposits to Iranian crypto-asset exchange Ramzinex. Note the spike in deposits in June 2025.

While the USDT deposits on the Ethereum blockchain to Ramzinex are not large in absolute terms, the trend clearly shows growth, and Ramzinex is far from the only Iranian crypto-asset exchange to experience that growth.

In Figure 5., we can observe two smaller Iranian crypto-asset service providers experiencing a growth in USDT deposits, again on the Ethereum blockchain, starting from January 2025.

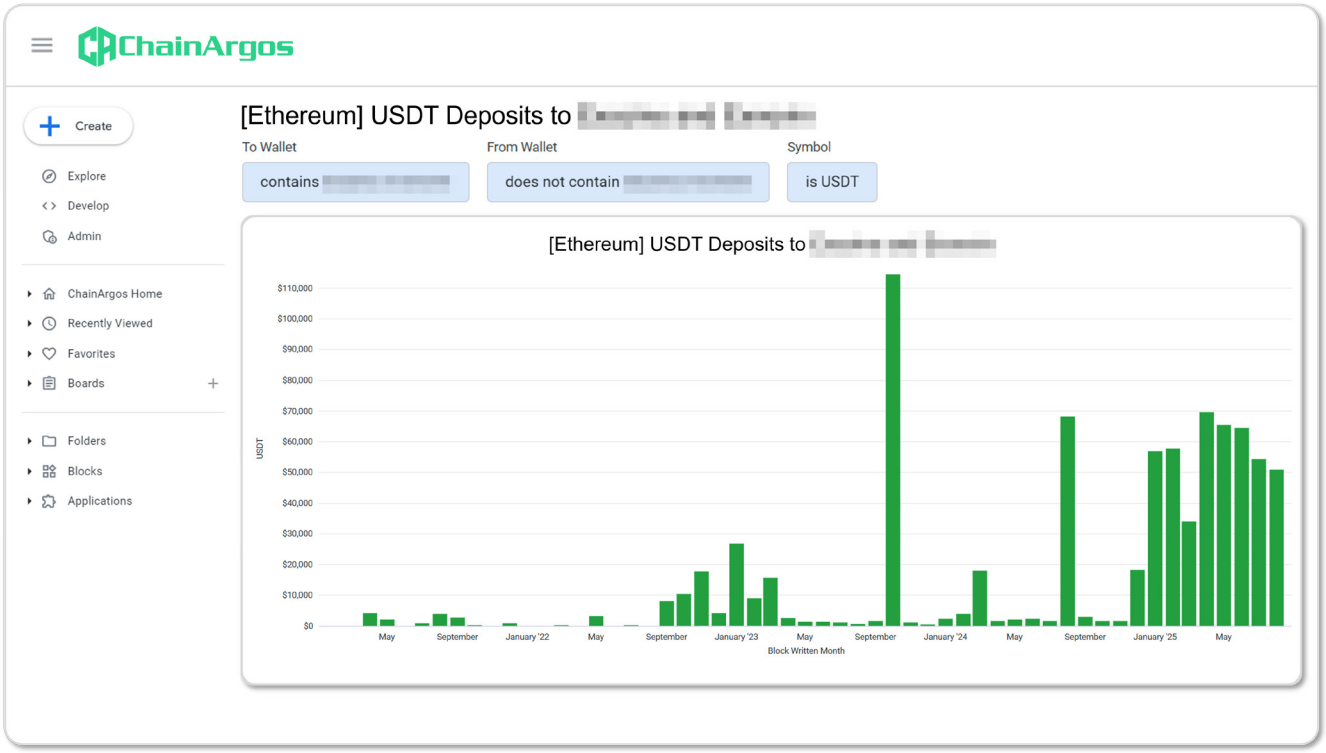

Figure 5. USDT deposits to two identified Iranian crypto-asset service providers on the Ethereum blockchain. The identity of the service providers has been redacted at the request of the provider of this information.

Similar to Ramzinex, while the absolute amounts of USDT being deposited to these emerging Iranian crypto-asset service providers on the Ethereum blockchain are not large, the growth in 2025 is evident.

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Nor is the growth in USDT use limited to the Ethereum blockchain. In Figure 6., we see a relatively new Iranian crypto-asset service provider experience strong growth in USDT deposits on the TRON blockchain.

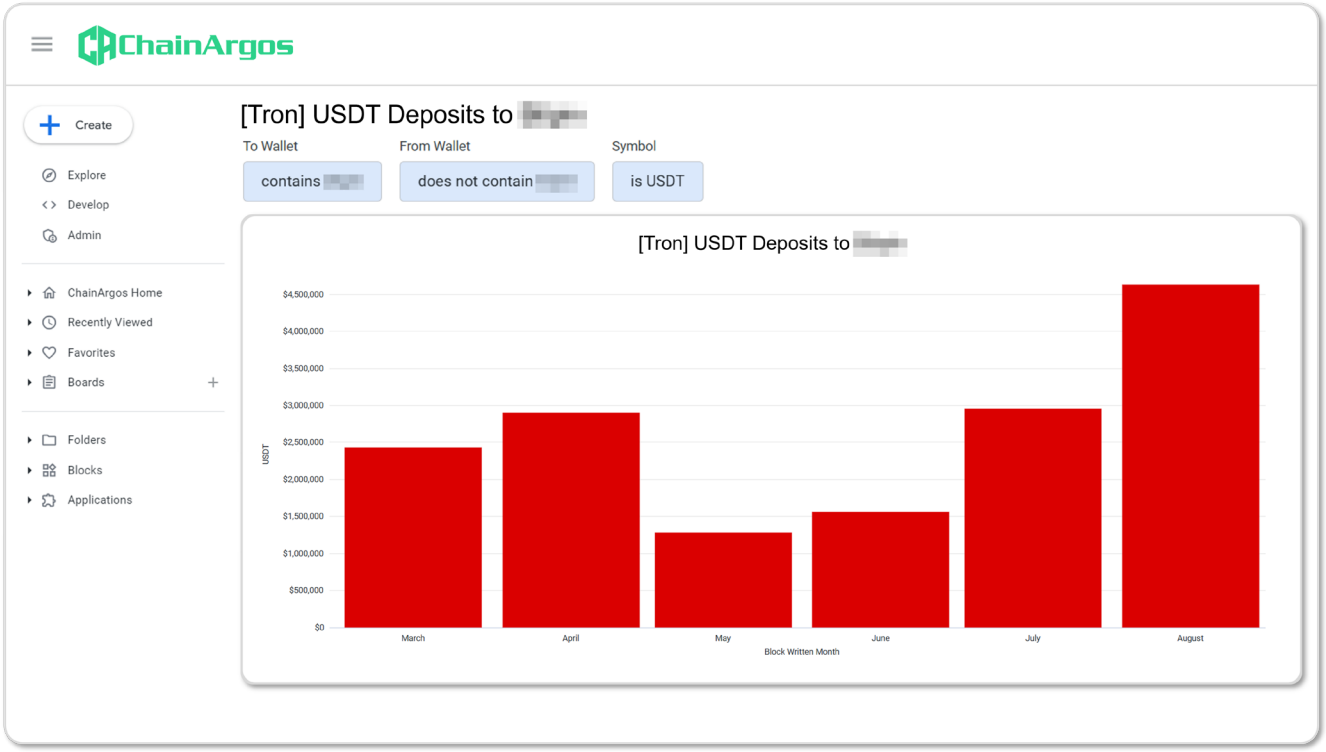

Figure 6. USDT deposits to a relatively new Iranian crypto-asset service provider on the Tron blockchain. The identity of the service provider has been redacted at the request of the provider of this information.

In just 6 months, over $15.7 million USDT has already been deposited to this relatively new Iranian crypto-asset service provider, a significant amount for any new business, let alone a crypto-asset business in Iran.

Some of the more recent flows are even larger than those for existing incumbents. For instance, Aban Tether saw over $960,000 in USDT deposits on the Tron blockchain in August 2025, while this relatively new Iranian crypto-asset service provider enjoyed an inflow of $4.6 million worth of USDT over the same period.

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And just as we would expect the Iranians to diversify their crypto-asset service provider use, we should also expect them to spread out their risk by using other crypto-assets besides Tether's USDT, which can be frozen.

In Figure 7., we analyze the same burgeoning Iranian crypto-asset service provider and observe deposits of ether (ETH), Paxos Gold (PAXG), and Tether (USDT) on the Ethereum blockchain.

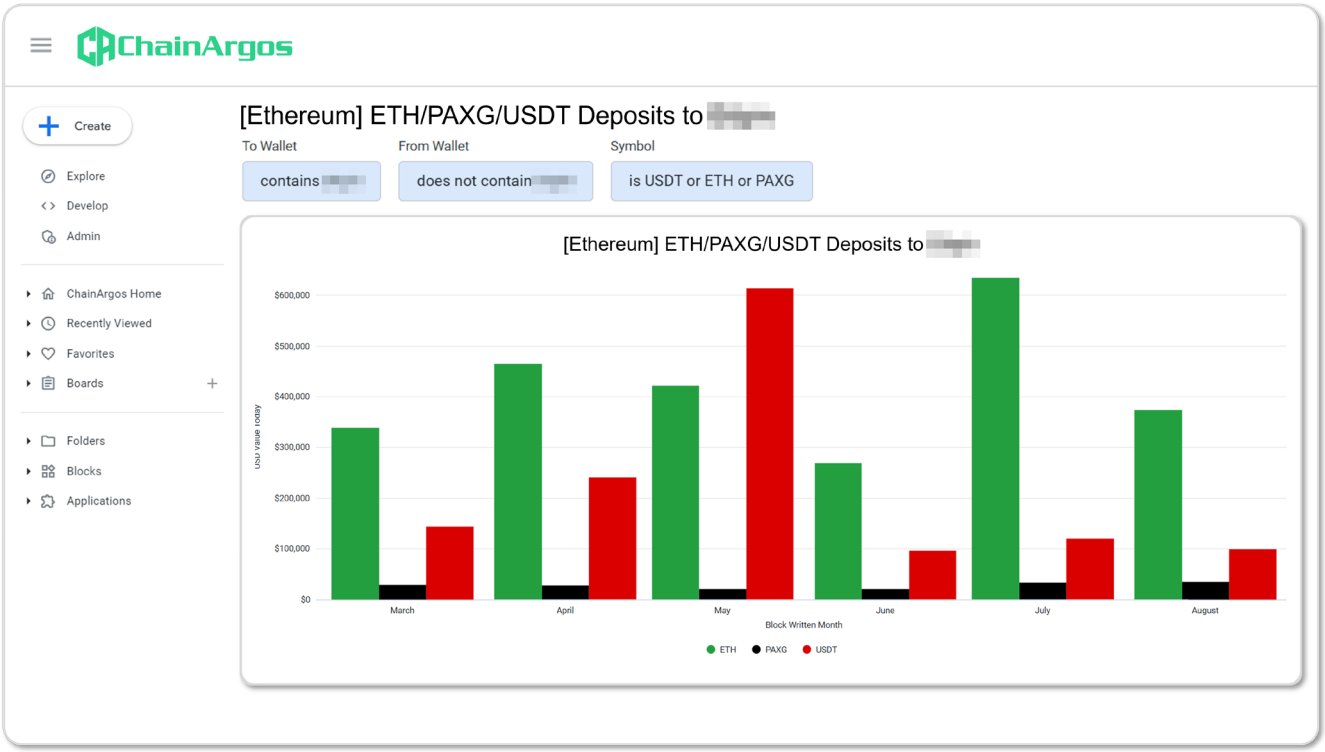

Figure 7. ETH, PAXG and USDT deposits (in USD terms) to a relatively new Iranian crypto-asset service provider on the Ethereum blockchain. The identity of the service provider has been redacted at the request of the provider of this information.

Given the hack of Nobitex and freezes of USDT by Tether, it makes absolute sense for Iranians to diversify their token usage, instead of just limiting themselves to USDT.

What's perhaps peculiar is the Iranian comfort with using PAXG.

PAXG, the gold-backed token issued by Paxos Trust LLC, a US-regulated trust company and an unusual choice for Iranians living under sanctions, but for now it appears to not be causing them any consternation.

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3. Conclusion

In TRM Labs' defense, volumes in USDT, the stablecoin that keeps getting seized or frozen, on Nobitex, the largest and most high profile crypto-asset exchange in Iran that was recently hacked, are indeed decreasing.

> *"One data point is the same as none."*
>
> — James S.A. Corey

But that's like watching the first half of *The Sixth Sense*, walking out of the movie theater, and deciding you knew how it ended. (Spolier Alert: Bruce Willis' character was dead all along.)

Blockchain analytics isn't about stating the obvious (especially where it is convenient to do so), it's about understanding the data and being honest enough to recognize the gaps and deficiencies.

It's important to recognize that the use of crypto-assets to evade sanctions in places such as Iran, are endeavors mainly undertaken by people who are both competent and determined.

If nothing else, the Iranian crypto-asset exchange sector seems to be getting more resilient with high growth observed across smaller entities.

Because it's harder to hit many small targets, Iran appears to be taking a leaf out of the blockchain's own playbook - decentralization.

Objectively this looks like the natural outcome for an ecosystem that is more or less under siege.

So no, this does not look like a system that is contained and shrinking. Life indeed finds a way.

But depending on who you ask, you won't find what you're not looking for.[2]

[2] https://www.trmlabs.com/resources/blog/t3-financial-crime-unit-launches-t3-global-collaborator-program-over-250m-in-criminal-assets-frozen-as-binance-becomes-first-member#:~:text=T3%20FCU%20is%20a%20first,identify%20and%20disrupt%20criminal%20networks.

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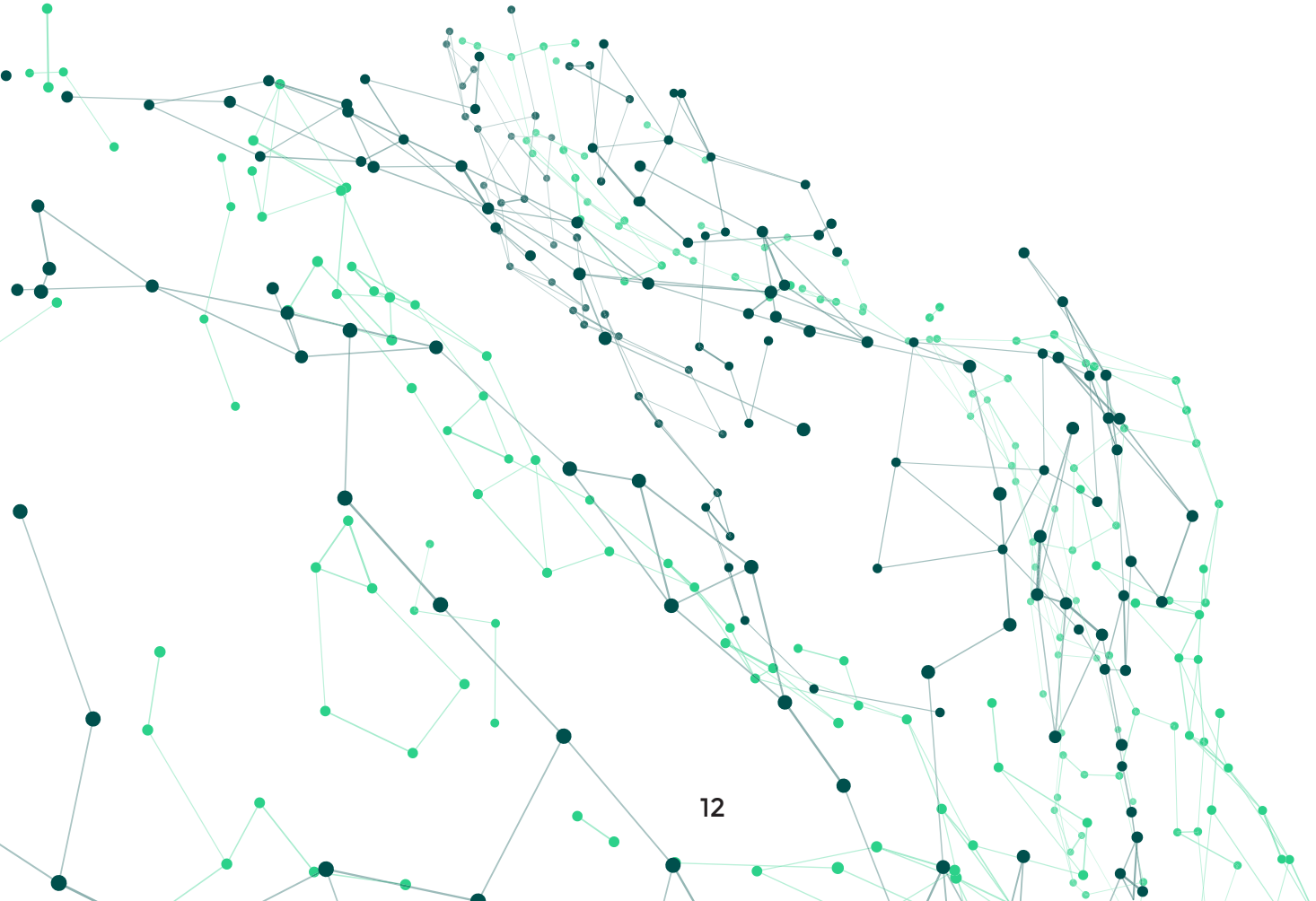
Who are we?

ChainArgos is the blockchain intelligence firm best known for uncovering crypto-asset exchange Binance's $1.4bn BUSD stablecoin undercollateralization, forcing the New York Department of Financial Services to take action.

We provide unparalleled blockchain intelligence by focusing on the financial drivers of transactions, facilitate investigations and analysis centered on the economic value of transfers, and provide insight into the motivation behind specific flows.

ChainArgos is recognized globally as a leader in blockchain intelligence.

We've tracked illicit flows funding terrorism and sanctions evasion, analyzed transaction patterns connecting global scams, and uncovered crypto-asset trading opportunities before the market.



Where else have you seen us?

ChainArgos works with the United Nations, governments, central banks, financial institutions, hedge funds, proprietary trading firms, regulators, law enforcement and intelligence agencies, research institutes, universities, and crypto-asset service providers globally.

We're trusted by top news outlets including the Wall Street Journal, Bloomberg, Forbes, Fortune, Thomson Reuters, and the South China Morning Post, for unimpeachable blockchain intelligence.

Here's just a selection of our blockchain intelligence that created news:

Bloomberg

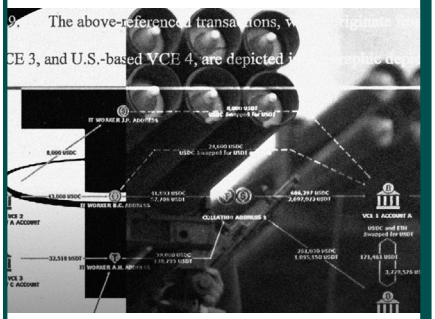
Binance Acknowledges Past Flaws in Maintaining Stablecoin Backing

- Blockchain analyst Reiter had flagged gaps in Binance-peg BUSD
- Binance says earlier 'operational delays' have now been fixed

Forbes

Did Digital Currency Group Profit From $60 million In North Korea Crypto Money Laundering?

THE WALL STREET JOURNAL.



From Hamas to North Korean Nukes, Cryptocurrency Tether Keeps Showing Up

Tether has allegedly been used by Hamas, drug dealers, North Korea and sanctioned Russians

THE WALL STREET JOURNAL.

The Shadow Dollar That's Fueling the Financial Underworld

Cryptocurrency Tether enables a parallel economy that operates beyond the reach of U.S. law enforcement

Bloomberg

Stablecoin Operator Moves $1 Billion in Reserves to Bahamas

- Move reflects worsening US banking conditions for crypto firms
- TrueUSD's circulation has more than doubled in the last month

South China Morning Post

How crypto investigators uncover scammers' blockchain billions, scale of money laundering in Asia

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Who uses blockchain intelligence?

Finance and Banking

Compliance

Law Enforcement

Regulators and Policymakers

Finance and Banking

Assess the risks and opportunities in crypto-assets, stablecoins, and decentralized finance. Develop innovative products, explore tokenization opportunities, and generate new revenue streams.

Compliance

Fight money laundering, expand know-your-customer tools, and combat the financing of terrorism while expanding your customer base. Manage risk from customer crypto-assets and confidently verify sources of crypto-asset wealth.

Law Enforcement

Terrorists and criminals are using blockchain technology to avoid the banking system, launder money, and fund operations. Blockchain wallet analysis and transaction tracing fights crime, prosecutes criminals, and tracks illicit fund flows.

Regulators and Policymakers

Develop and implement effective crypto-asset and stablecoin supervisory, licensing tax, compliance, and regulatory frameworks to foster innovation, while managing threats to national security and the financial system.

How are we different?

We deliver actionable blockchain intelligence.

Say “no” to pseudo-science and “yes” to blockchain intelligence you can count on for commerce, compliance, and crime-fighting.

ChainArgos is built by finance, legal, and technology professionals to deliver actionable blockchain intelligence focused on financially-relevant analysis.

Whether you’re looking to on-board a customer, determine source of wealth, or ensure your evidence isn’t rejected on appeal, our blockchain intelligence is based on established principles of statistics, math, and forensic science.

Extreme Versatility

Create compliance and commercially-driven analysis in a single place and arrive at better business decisions faster.

No-Code Customization

Build any query or analysis without programming skills or coding.

Financially-Relevant

Standard financial measures combined with blockchain intelligence for actionable insight.

Data Integrity

ChainArgos runs its own blockchain nodes, and we never enrich our data with yours, so you can be sure of data integrity.

API Ready

Robust and resilient APIs with 99.99% uptime. Minimal code required for easy integration.

Automated Alerts

Schedule automated alerts and reports via Email, Webhook, Amazon S3 and SFTP so you’re always in the know when something happens.

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How do we do it?

Blockchain intelligence is a relatively new industry, and it's not uncommon to hear of methods which have little basis in finance, let alone forensic science.

Let's look at one example to understand the limitations of blockchain tracing.

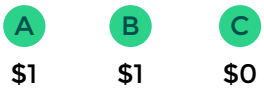


Fig. 1

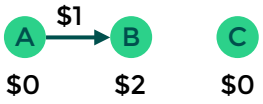


Fig. 2

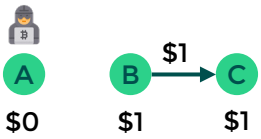


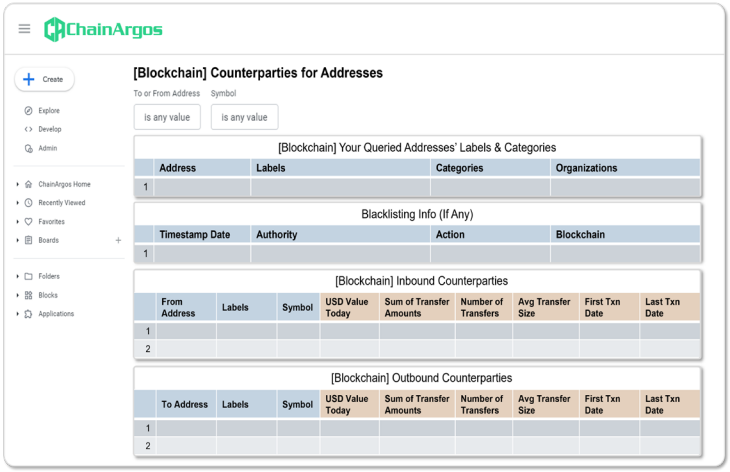
Fig. 3

In Fig. 1, A and B start with $1, while C starts with $0. In Fig. 2, A transfers their $1 to B who now has $2. Finally, in Fig. 3, B transfers $1 to C, who now has $1.

If it turns out A is an illicit actor, with what degree of confidence can we say that C has received $1 from illicit sources? 50-50?

Would you accept a "risk score" of 50%?

Follow the money.



Instead of passing off "risk scores" as "risk management" ChainArgos helps you follow the money.

Most blockchain transactions don't derive from a single source, and believing they do is what leads to poor outcomes.

Make better decisions by focusing on what matters - where the money went, where it came from, and where does it look like it's headed to?

How much does one address deal with another? What's the average transaction size? What's the frequency? What's the crypto-asset or stablecoin of choice? What's the transaction behavior? When did the transaction size change?

And so much more.

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Better attribution.

Don't risk critical legal, trading, and compliance decisions to questionable or subjective attribution methods. Trust math and science.

ChainArgos is the only blockchain intelligence firm that delivers programmatic address labels and wallet tags that are unassailable whether you're making business decisions or preparing to sue someone.

Blockchain addresses are automatically ranked and labeled based on a variety of factors including:

- **Transaction Count**: the number of transactions by an address. Sending $100,000 in one transaction may have very different implications from sending 10 transactions of $10,000 each. Either way, you'll know the difference.
- **Lifetime Sent/Received**: lists the biggest sender and/or receiver of any given crypto-asset or stablecoin currently. Markets are extremely dynamic. The biggest movers today may not be the same tomorrow.
- **Max. Historical / Current Balances**: helps you decide whether an address is participating in affiliated crypto-assets and/or stablecoins based on their maximum historical balance and who's stocking the highest current balances.
- **Recipient Number**: gives you a sense of whether they were an early adopter, or even possibly an insider of a crypto-asset or stablecoin. Recipients are ranked according to the date and time they received a crypto-asset or stablecoin.

Say "no" to dodgy wallet tagging and "yes" to attribution you can trust.

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