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Can Bitcoin be seized?
by Fermín Aramburu.

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"DILIGITE JUSTITIAM QUI JUDICATIS TERRAM." "Ye who judge the earth, give diligent love to justice"

Can Bitcoin be seized?

by Fermín Aramburu.

On my previous article I wrote about Bitcoin, and how nowadays we live among an exponential development in financial technologies, with the creation of cryptocurrencies, specially the Bitcoin, which is the first and most valuable cryptocurrency in the world today. The currency has been so revolutionizing because of its system, the blockchain that is generated by mining structures, that perform computationally complex puzzles according to certain specific economic inducements following by cryptographic algorithms, therefore creating a public record, where all transactions are recorded. They are verified by an extend of decentralized network of users. It is almost impossible to forge or duplicate them thanks to the sophisticated cryptographic system that supports all transactions.

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We also must remember that the blockchain is preserved by special records that associate balances with identifiers (the Bitcoin addresses). This means that what Bitcoin wallets really storage are the passwords to perform transactions with the Bitcoins addresses that are associated.

The nature of Bitcoin underlies as a bearer instruments, because whom controls the key of the Bitcoin is the owner linked to the Bitcoin. It is also possible to store Bitcoin in a cryptocurrency exchange house, for example Bitso in Mexico; in this case the possession of the Bitcoin is from Bitso, whom has a debt for the value of the Bitcoin with the user that owns the Bitcoin.

Now, to understand if Bitcoins could be seized, mainly we need to analyze if the Bitcoins are goods, and in case they can be consider as goods, then we will study if they can be an asset that could be seized.

Article 747 from Mexico City Civil Code establishes that all things that are not excluded from commerce are subject of appropriation. Article 754 also from Mexico City Civil Code establishes which are the movables determined by law, as well as rights and obligations or actions that have as object movable things or amounts payable by virtue of action in personam. In article 772 of the Mexico City Civil Code it is established that goods are private property whose domain legally belongs to a person and no one could benefit from it without consent of his owner or with explicit authorization of the Law. At last, article 830 establishes that the owner of any asset could possess and disposes the good according to the limitations and modalities established by the Law.

Hence with the definitions stated on the previous paragraph, we could point out that the Bitcoin is a personal asset, that a person could appropriate and dispose from it without limitation, so it is correct to infer that any legal transmission is viable since there is no legal prohibition.

Once we already define the Bitcoin as a personal asset, we must analyze if it could be seized or not.

According to article 2964 from the Mexico City Civil Code, debtor should respond for the accomplishment of his liabilities with all his assets, with exception of those ones that according to Law are unalienable or can not be seized, and as we know the Bitcoin is subject to be alienated, and there is no legal limitation for being seized. Therefore, we can conclude that Bitcoin can be seized, since it is a good that is inside the commerce and it can be alienated, but then we face a greater problem, identifying who the owner of a Bitcoin is, and in case of knowing who the owner is, how would it be possible to obtain his blockchain?

We must remember that Bitcoin is a digital currency, that does not depend or relies on any government jurisdiction, that the value of the Bitcoin is not a certain quantity of money deposit inside a financial institution, thus it is not a financial instrument, since it is not regulated, it cannot be intruded by anyone and the assets can not be blocked.

“Therefore, we can conclude that Bitcoin can be seized, since it is a good that is inside the commerce and it can be alienated, but then we face a greater problem identifying who the owner of a Bitcoin is, and in case of knowing who the owner is, how would be possible to obtain his blockchain?”

When a Bitcoin owner uses the Bitcoin no personal information of the owner is revealed, making almost impossible to find out the identity of the Bitcoin owner and even more difficult to get the private passwords or blockchain of the owner. However, if the user storages Bitcoins in a cryptocurrency exchange house such as Bitso, therefore it can be known the identity of the Bitcoin owner, and since Bitso is a regulated entity it would be possible to seize the Bitcoin storage of the financial institution.

“Finally, we can conclude, that Bitcoins are goods able to be seized, but it is extremely difficult if the owner of the Bitcoin was careful enough to secure it from any authority: I would say almost impossible.”

Following this ideas, when it is needed to execute a seizure of Bitcoins that are not stored in a legally established company, we would have mainly two problems: firstly, how would it be possible to determine who is the owner of the Bitcoin, and how can it be proven to the authority the ownership of the Bitcoin; and secondly, how would it be possible to get the private passwords of the new owner of the Bitcoin.

Finally, we can conclude, that Bitcoins are goods able to be seized, but it is extremely difficult if the owner of the Bitcoin was careful enough to secure it from any authority: I would say almost impossible.

Would you take the risk to seize a Bitcoin?

IMF cuts its 2019 economic growth outlook for Mexico to 2.7%.

The International Monetary Fund (IMF) has cut its 2019 growth forecast for the Mexican economy from 3% to 2.7% due to prolonged uncertainty surrounding the renegotiation of the North American Free Trade Agreement (NAFTA) but also regarding Mexico's new government political agenda as an additional factor. www.mexiconews-daily.com/news/imf-cuts-its-2019-growth-outlook/ 16/07/2018.

Mexico's Top Tourism Destinations Deemed Safe.

The United States Department of State issued an update for its travel advisory to Mexico by deeming all major tourism destinations safe. Mexican officials cite the updated travel advisory to prove the vast majority of crimes in the country do not occur in areas frequented by international tourists. Even some of the areas with remaining warnings have resort areas free of the travel restrictions, including Guadalajara and Puerto Vallarta. www.travelpulse.com/news/destinations/mexico-s-top-tourism-destinations-deemed-safe.html 17/07/2018.

Mexico restates that it wants a three-way accord in the NAFTA Negotiation.

Mexico's Secretary of Economy, Ildefonso Guajardo position is to maintain a trilateral trade agreement in North America after United States President Donald Trump once again suggested the U.S. could pursue separate deals with Mexico and Canada; stating an agreement in principle for an updated North American Free Trade Agreement (NAFTA) could still be reached at the end of August and that a definitive version of a new pact could follow in November. www.mexiconewsdaily.com/news/mexico-repeats-it-wants-three-way-accord 19/07/2018.

Priority given to 7 infrastructure projects costing 500 billion pesos.

After his triumph in the presidential elections, president-elect Andrés Manuel López Obrador announced that the next government will prioritize seven urgent infrastructure projects, including the new Mexico City International Airport, with an investment of 500 billion pesos (US \$26.5 billion). Regarding the new airport, there are three options: continue the project as a public-private joint venture, auction it off to the private sector or scrap it completely and use the existing airbase in Santa Lucía, México state, for commercial flights. www.mexiconewsdaily.com/news/priority-given-to-7-infrastructure-projects 24/07/2018.

Pacific Alliance, a global example of regional integration: EPN.

The president, Enrique Peña Nieto, said that seven years after its creation, the Pacific Alliance, a regional mechanism composed of Mexico, Colombia, Chile and Peru, has been a bold effort of economic articulation and a global example of regional integration. www.noticieros.televisa.com/ultimas-noticias/alianza-pacifico-ejemplo-mundial-integracion 24/07/2018.

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