

terrurum.

Briefing, analysis, opinion and insight of legal affairs in Mexico. Digital publication by Abogados Sierra



February 15, 2018 year 07 | No. 03

BITCOIN.
by Fermín Aramburu

January NEWS on
Mexican Commercial Law

sierra

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

BITCOIN.

by Fermín Aramburu.

Nowadays we live the exponential development of technologies, especially in the informatics area. Today, we are witnesses of the bitcoin creation, which is the first cryptocurrency and, the highest value coinage in the world.

“Bitcoin uses encryption and a blockchain database that allows the fast and anonymous transfer of funds outside of a conventional centralized payment system”.

Cryptocurrency is a concept created in 1998 by Wei Dai, who proposed the idea of creating a type of digital currency that uses cryptography as a means of control. Afterwards in 2009, Stoshi Nakamoto (whose real identity is unknown, as we do not know its identity, male, female, or a group of people) created the first cryptocurrency with the name of “Bitcoin”; through an innovative system, the “blockchain”. This system is mainly generated by cryptographic algorithms, which creates a kind of public book where all transactions are saved and can be verified by an extensive and decentralized computer network. Its falsification or duplication is impossible thanks to a sophisticated cryptographic system.

Bitcoins are created by users, who are called “Miners”, who verify the transaction process of other users, they also ensure the network using specialized hardware. The “Miners receive Bitcoins in exchange for their work. These Miners build a global history of each bitcoin transaction (blockchain) that prevents any bitcoin from being used simultaneously.

The Bitcoin has a certain number of currency flow to be created. The number of Bitcoins that will be created are 21 million coins, amount to be reached in 2030, which makes the supply and demand of it determine its value.

“Bitcoin is a decentralized payment network. This means that there is no intermediary (such as a bank) that can open an account for you, in fact, each one is creating an account, meaning that a person can have several accounts.”

Bitcoin uses encryption and a blockchain database that allows the fast and anonymous transfer of funds outside of a conventional centralized payment system. It is classified as an investment without

any regulation and with an unclear primal and initial value; guarantees high yields with a high risk. It allows people to buy goods and services, exchanging money without involving banks, credit card issuers or other third parties.

It is a currency that cannot be intervened by anyone, it gives anonymity but leaves a chain of each transaction, there are no intermediaries, it belongs to a decentralized economy, since it is not under the control or regulation of a government entity or central bank.

“At the end, all bitcoins are digital money, which allows you to make cheaper, quicker, and free payments anywhere in the world and in any time.”

Bitcoin does not necessarily have the anonymity that its creator pursued, because even though the transactions and accounts can be tracked, it will not necessarily reach the owners of the currency, unless and until the owners trade their bitcoins for common currencies, in which case anonymity would be lost.

Bitcoin is a decentralized payment network. This means that there is no intermediary (such as a bank) that can open an account for you, in fact, each one is creating an account, meaning that a person can have several accounts. Each created account contains a determined number of Bitcoins and its Bitcoin address, which always contains a password or key that certifies that you are the owner of the address. This address is unique, and it is associated with the password. Is from your Bitcoin address where you prepare and receive the payments. Private keys are stored in programs that act as a wallet.

For a better understanding of this topic, we must remember that the blockchains are the records that associates balances with identities and users (the Bitcoin addresses). This means that what the Bitcoin wallets actually store are not the Bitcoins themselves, but the private keys that give you authorization to perform transactions on the Bitcoin addresses to which they are associated to.

Bitcoin doesn't exist in physical form, only the records in a blockchain that have a history associated with them. What is actually recorded and confirmed in the chain of blocks are the changes in ownership of the corresponding amounts between different addresses, where their balances change.

At the end, all bitcoins are digital money, which allows you to make cheaper, quicker, and free payments anywhere in the world and in any time.

Are you willing to buy Bitcoins?

NASA and AEM will train astronauts for 2030 Mars mission in the Sonora Desert.

The Mexican Space Agency (AEM) and the National Aeronautics and Space Administration (NASA) will work together to carry out tests in the Volcanic Field of the “El Pinacate” biosphere reserve, in the Desert of Sonora, in order to train astronauts for a mission to Mars in 2030. <http://www.aerospacemx.com/clear-skies-and-good-tailwind-for-aviation-in-2018/> 03/01/2018.

Mexico-EU free trade deal should be finished in a few weeks.

Mexico and the European Union should complete a new free trade deal “within the next few weeks”. This was stated by Mexico’s Deputy Economy Minister, Juan Carlos Baker, who confirmed that negotiations will resume during the first week of February with a quick end in sight.

<https://www.reuters.com/article/us-eu-mexico-trade/mexico-eu-free-trade-deal-should-be-finished-in-a-few-weeks-official-idUSKBN1F70CS> 17/01/2018.

Mexico sings space Cooperation Agreement.

During official visit of Enrique Peña Nieto to Paraguay, the Mexican Space Agency (AEM) and its counterpart in Paraguay (Space Agency of Paraguay, AEP) signed a spatial cooperation agreement, in order to promote joint efforts for the development of technologies and projects for the peaceful use of outer space. <http://a21.com.mx/aeroespacial/2018/01/18/mexico-y-paraguay-firman-acuerdo-de-cooperacion-espacial> 17/01/2018.

Exports hit record of \$410 billion last year.

Last year was a good one for trade as exports reached a record US \$409.5 billion. Exports grew 9.5% over 2016, the highest growth rate since 2011, and reduced Mexico’s trade deficit to \$10.88 billion, the smallest in three years. The figures were reported by the National Institute of Statistics and Geography (INEGI) and the Bank of México, which said that between January and November last year, automotive exports represented 35% of all manufactured goods exported. <https://mexiconewsdaily.com/news/exports-hit-record-410-billion-last-year/> 27/01/2018.

Oil companies prepare for Deepwater auction.

Twenty-six bidders will participate in an auction of Mexico’s deepwater oil and gas reserves. The world’s big oil explorers including Exxon Mobil Corp., Royal Dutch Shell Plc and Chevron Corp. have been enticed to bid on the 29 tracts with cut-rate prices for drilling rates, reports Bloomberg.

<https://mexiconewsdaily.com/news/oil-companies-prepare-for-deepwater-drilling-auction/> 29/01/2018.

terrum.

FERMÍN ARAMBURU SIERRA

Attorney at Law by Instituto Tecnológico Autónomo de México (ITAM) was admitted to practice in 1992. He conducted post-graduate studies at the Universidad Panamericana (UP) in Corporate Law and Civil and Mercantile Procedural Law. He is a law professor at Universidad Anahuac. He has over 20 years of experience in corporate law, in the private sector, carrying out various corporate restructures, purchase agreements, increases and decrease of capital, transfer of shares, spin-offs, mergers, transformations, corporate government, privacy notices, etc. He specializes in the analysis, elaboration and negotiation of all kinds of agreements and contracts, civil and mercantile. He supports his clients in patrimony planning, with the objective to secure their family estate and their future generations. He helps his clients in the creation and management of Family Offices.

LANGUAGES: Spanish and English.

PRACTICE AREAS: Corporate Law, Corporate Government.

e-mail: faramburu@asyv.com


sierra

Prol. Reforma No. 1190 25th Floor,
Santa Fe México D.F. 05349
t. (52.55) 52.92.78.14
f. (52.55) 52.92.78.06
www.asyv.com / www.asyv.aero

The articles appearing on this and on all other issues of Terrum reflect the views and knowledge only of the individuals that have written the same and do not constitute or should be construed to contain legal advice given by such writers, by this firm or by any of its members or employees. The articles and contents of this newsletter are not intended to be relied upon as legal opinions. The editors of this newsletter and the partners and members of Abogados Sierra SC shall not be liable for any comments made, errors incurred, insufficiencies or inaccuracies related to any of the contents of this free newsletter, which should be regarded only as an informational courtesy to all recipients of the same.