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Bitcoin and Its Related Legal Effects

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ABSTRACT

Digital currencies are currencies that use encryption to transmit over the Internet, encrypted digital currencies are untraceable and track able. Cryptography was first used in World War II to convey messages and military commands. In the digital age, mathematics and computer science have been used to secure communications, information and money transfers. Bitcoin's first digital currency was created in year 6 and is now the king of the world of digital currencies. Many digital currencies have been introduced and introduced in the past few years. Currently, about 2 digital currencies are traded in global markets. Digital currencies operate on a platform called Block China and are the first and most famous Bitcoin digital currency. The inventors and creators of China Block and Bitcoin are anonymous, and there is no other specification than their name. Many countries have no problem with China's block chain because it is a secure platform like the Internet, which is even safer in terms of financial transaction security than the Internet, and many financial institutions and countries are planning to use it. But bitcoin is controversial because it has introduced itself as a currency. Many countries have refused to accept it. If countries use and promote it, it will cause a devaluation of the national currency and cause losses. However, in today's world, it has been proven that you cannot stand up to new technologies but have to take them on. Some of the leading countries are drafting legislation to use digital currencies.

Keywords: Bitcoin, Web Wallet, Legal, International Law, Cyber Rights.

INTRODUCTION

Today, the pace of development of new science and technology has grown so rapidly that it has seized the opportunity of today's humanity. In order to find the subject of the research, it was tried to be one of the most up-to-date topics on the legal side of the issue and to discuss the legal issues. After consulting with legal friends, the bitcoin issue was suggested (Kaplanov, 2012). About Bitcoin We had to first identify the nature of Bitcoin's work and then examine the legal issues involved. Because digital currencies and bitcoin are new topics, the source of the book was not found, and inevitably, articles published on websites were cited and sometimes added by the servant (Ju, Lu, & Tu, 2016; Tsukerman, 2015; Tu & Meredith, 2015).

On legal issues related to bitcoin because the Iranian government has not yet accepted it as a kind of currency and has not entered into legal debate by the legislator. Complete legal resources were not available after audio file search and consultation. It came to my mind that it was about a

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two-hour session of legal activists discussing bitcoin and how to deal with it. In this research, the legal debate sought to examine bitcoin in legal and legal terms, and the conditions that it must have in order to be legally recognized and legally sanctioned under Iranian law and to make recommendations.

MATERIALS & METHODS IN BITCOIN

Bitcoin wallet lets you trade with the world. Gives you ownership of bitcoin addresses so you can get from other Kevin users and lets you send them. Just like email, you can get bitcoin when you're offline, and all wallets are compatible(Egorova, Mukhomorova, & Mosalev, 2018; Vassiliadis, Papadopoulos, Rangoussi, Konieczny, & Gralewski, 2017). These wallets are divided into 3 types of web wallets, software wallets, and mobile wallets:

Web Wallets

Web wallets allow you to use bitcoin anywhere with the slightest effort to protect your wallet. Either way, you should carefully choose your web wallet service because they are your bitcoin keeper(Egorova et al., 2018; Lischke & Fabian, 2016).

- Cex.io

Cex.io is a user-friendly hybrid wallet. This wallet can store an encrypted copy of your online wallet, but decryption happens in your browser.

- Blockchain.info Website:

Blockchain.info is a user-friendly hybrid wallet. This wallet can store an encrypted copy of your online wallet, but decryption happens in your browser. You should always use browser extensions and email backups for security reasons.

- Coinbase

Coinbase is a web wallet service designed to be easy to use. It also offers a web-based wallet application for Android, business tools and compliance with US bank accounts for bitcoin trading.

Software Wallets

Software wallets are installed on your computer. They give you complete control over your wallet. You have to back up and protect your money.

- Bitcoin Core:

Bitcoin Core is the main Bitcoin client and forms the backbone of the network. Provides the highest level of security, privacy and stability. However, it has fewer features and takes up a lot of space and memory.

- MultiBit:

MultiBit is a compact client that focuses on fast and easy to use. It synchronizes with the network and is ready to use in less than a few minutes. MultiBit also supports many languages, including Persian. As a result it is a good choice for non-technical users.

- Armory:

Armory is an advanced Bitcoin client running on Bitcoin Core. Develops its features for Bitcoin business users. It offers many backup and encryption features and allows it to run on Offline PCs, Cold-Storage, or Secure Cold Storage.

BITCOIN TRADING

There is a solution for bitcoin. Like Bitcoin, we have a general office called ledger and all the transactions we make are recorded. In the bitcoin account, there is a public and private key for each person to provide the taxpayer with the public key of their account, which does not pose a security problem for the account. If we do not legislate for bitcoin in Iran immediately, we will lose the healthy taxpayers who use bitcoin in their transactions(Kaplanov, 2012; Tu & Meredith, 2015).

In international trade, when a transaction is about to be concluded, two banks are involved in the transaction, the LC account is opened and the money is guaranteed by the buyer bank and the buyer bank receives the money.

But in Bitcoin it's not Ingome and can be easily tricked and can't be trusted. Suppose a businessman from Iran buys a product from a Chinese businessman(Madan, Saluja, & Zhao, 2015). The total contract amount is 100 bits. The seller demands 20 Bitcoins to start production. If I can pay it has to deny that it received 20 bits. Bitcoin presents challenges when it comes to discussing contractual relations or discussing contractual or civil liability litigation. The problem is that no country can do anything.

BITCOIN LEGAL STATUS

There is no legal action in the case of bitcoin because there are no technical requirements and therefore no law can be created. Coins are anonymous, meaning we don't know who and with what features we can fight. Coins whereabouts and where the crime took place is unclear, and a competent court cannot be identified(Anderson, 2018; Murphy, Murphy, & Seitzinger, 2015). The biggest problem with digital currencies is their cyber problems. Bitcoin began to be used and traded in banned drugs, which was opposed by many countries. Now the question is that in the past, drug dealers used other currencies, especially the dollar, to trade. Until an idea leads to a process or a product, it will not be in the intellectual property debate, and if we want to steal that idea, we should keep that idea in our head as a business(Mandjee, 2015).

In Iranian law, business methods are not patentable. In the case of mathematical formulas, the patent law does not consider mathematical formulas patentable. In the bitcoin intellectual property the positions are not clear. For example, the:

Who is the owner of Bitcoin and who can exploit Bitcoin if abuse is exploited?

Or who is responsible for bitcoin if someone is harmed. Do from miner to the reason they support transactions can be sued.

Bitcoin price volatility is very high. Today, international trade deals in cyberspace involve risk and if the risk is moderate, there is no legal jurisprudence.

If the trade is highly volatile and both parties accept the risk, there is no reason for the government to invalidate the transaction.

The same goes for stocks.

In the exchange we deal with two contracts: 1- futures contract 2- option to trade. Who want to stop the price fluctuation and the jurisprudence committee considers those transactions to be sharia-free.

It can be concluded that mere fluctuation of the price does not imply that the transaction is prudent. Interestingly, jurists such as Ardebili believe that the risk of trading is permitted by the parties.

Another debate about bitcoin is the bitterness of bitcoin transactions, which is not the case. We have two types of usages:

1- Users the transaction that occurs in a transaction that deals with things that are weighted and modulated that do not include bitcoin.

2- Debt Users in which the borrower borrows money and gets more money for it, which is not the case with Bitcoin.

There is such a story about national currency as delayed money loss or delayed payment or reduced purchasing power. These damages are calculated and received in the banking system by customers who have received facilities or in the judicial system from financial convicts from the

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date of filing of a lawsuit or complaint until the end of the litigation, which is not considered usury and therefore appears to be usury. That has no legal objection.

CONCLUSION

Since there is no specific law on the use or non-use of bitcoin in Iran by any authority, there is no legal barrier to buying and selling bitcoin in Iran. In Iran, transactions have been made by bitcoin and virtual currency. It seems that the use of bitcoin in Iran, like the use of a filter breaker, is neither criminal nor legal. But given the lack of legislation and the lack of legal status of bitcoin in Iran, the use of this virtual currency or virtual commodity needs to be more carefully monitored, since servers and sites outside of the Internet may be damaged or scammed. The country has poor legal protection.

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