

# Tracing and Claiming Bitcoin

# Concerns

No remedy



Economic fungibility

# Limits of intangible property

*OBG v Allan*



*Your Response v Datateam*



*Armstrong v Winnington*

Money had and received: recovering value

# Protecting Title

- Detinue (detention)
- Conversion (interference)
- “Money had and received”

**B steals A's £1 coin**

# Unjust Enrichment

- *Kelly v Solari*

**A accidentally gives B a £1 coin**

# Bank Accounts

**£1 is transferred from A's account to B's  
without A's consent**

- *FC Jones v Jones*: continue to own “the £1”.

**A accidentally credits B's account by £1**

- *Chase Manhattan*: can get “the £1” back.

# Consequences

- Debt owed to two creditors?
- Can never actually restore asset.
- Credit (backwards tracing): how can you trace into a debt paid with your money?
- Multiple accounts and clearing: what do you do when you have to follow the path of funds through several convoluted steps?

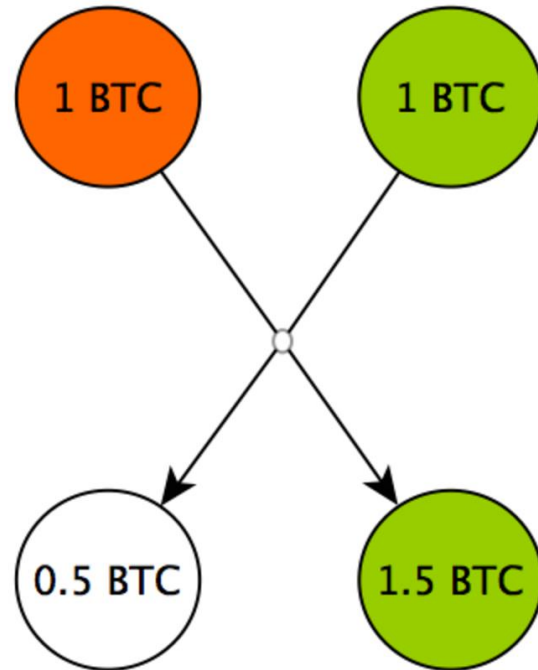
# Two kinds of case

1. Asset transfers (where thing or right passes, or both)
2. Defective transactions, that **do not** involve asset transfers



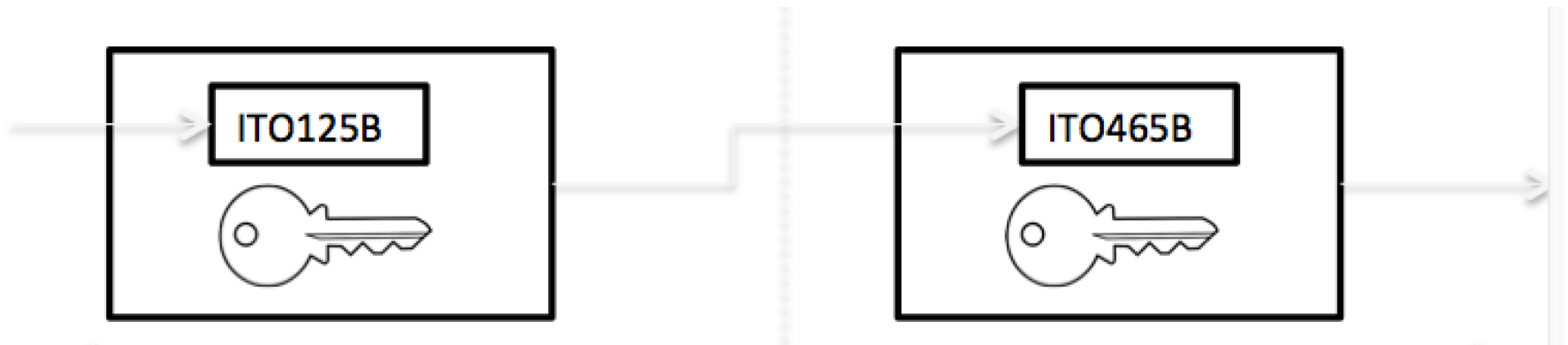
# Bitcoin: version 1

1. B liable for individual coins: raises transaction costs and impairs fungibility.
2. Have to try to match inputs and outputs.



# Bitcoin: version 2

- Destruction of outputs.
- No persistent coins/ serial numbers.



# Bitcoin

- Consequences:
  1. B liable for value received, not individual coins.
  2. B accountable even if a particular transaction is executed through multiple steps.

# Concerns

No remedy



Economic fungibility