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Thread: [Fifth circuit court rules Tornado Cash sanctions unlawful](#)

SUI-3183372 - November 26, 2024, 5:18 pm

Big news from the 5th Circuit Court of Appeals today!!! The court struck down OFAC's addition of Tornado Cash to the SDN list.

Essentially, OFAC can only designate "property in which a foreign country or national has an interest" under the IEEPA. The court found that OFAC went beyond its authority by including Tornado Cash's smart contracts on the SDN list. Since no one, including Tornado Cash itself, has a 'property interest' in these immutable smart contracts, they can't qualify under the statutory definition of 'property'. The court stated, "the immutable smart contracts cannot qualify because they are incapable of being owned."

This ruling is a big win for protecting the idea that developers of open-source, non-proprietary software can't be held liable just because someone else uses their software in a certain way (this doesn't mean you, malware authors).

While the appeal focused solely on OFAC's overreach, there's another equally important implication here... the 5th Amendment. The 5th requires that people can't be deprived of life, liberty, or property without due process. When Tornado Cash users lost access to their funds after the SDN designation, many had done nothing wrong but were left with no recourse. Post-designation, interacting with Tornado Cash became a crime for U.S. persons, creating a huge issue for those impacted.

This decision also highlights how the 5th Circuit, which is largely Republican, including two Trump appointees on this particular panel, has taken a more crypto-friendly approach. Their conclusion sets a meaningful precedent that open-source developers shouldn't bear responsibility for how others use their code. It's also consistent with Trump's broader crypto agenda, so an appeal seems unlikely to make it very far.

Up next, freeing Roman Storm. Will be interesting to see how this develops, but today's decision is a clear step in the right direction.

Crypton00b - November 27, 2024, 7:41 am

Aaaand it skyrocketed :) Not sure how I missed this post tbh, had exactly 1 solana for trading today :) Oh well, back to SUI and XRD for me ^^

Omniscient - November 27, 2024, 9:29 am

Funny part is Focus Broken quit HF over this and even had me wipe his account. He got scared (didn't actually tell me this btw) his mixer in their software might make him a legal target of the US government.

And this ruling is proper Justice because in-fact by law they are correct. How the code is used is NOT the responsibility of the coder. That's a long established precedent in US law. Gun manufacturers, alcohol producers, and so many others would then be responsible for the actions of

the buyers of their product. If I buy a hammer and go kill someone with it, you can't sue the hammer maker or the store that sold it.

So I'm just glad that sane Judges still exist, they all seem to be Republican appointed.

Let's hope Roman Storm gets released soon.