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Mining and Extraction of Digital Currency from the Perspective of Iranian Criminal Law

Bahareh Saeidi[1]*, Maryam Kamaei[2]

[1]. Department of Criminal Law and Criminology, Ahv.C., Islamic Azad University, Ahvaz, Iran (Corresponding author).

[2]. Department of Criminal Law and Criminology, Ahv.C., Islamic Azad University, Ahvaz, Iran.

Abstract

Digital currency is an important issue that has different legal dimensions and is the subject of debate and disagreement from various legal perspectives. One of the legal issues of digital currency is the extraction and mining of this type of currency, which has received less attention and requires discussion and examination. Accordingly, the purpose of this article is to examine the criminal law approach to mining (extraction) of digital currency. This article is descriptive and analytical and uses a library method to examine the mentioned issue. The findings indicate that mining and extraction of digital currency also has a thematic difference with the possession of permissive property because the rules of possession do not match the operation of mining digital currency. Mining of cryptocurrency is also different from a gift contract, and this difference is due to the conditions that are due and payable. Perhaps mining and extraction of digital currency can be considered as in accordance with the law. Mining and activities related to digital currencies, especially Bitcoin, are not prohibited by law in Iran, but must be carried out with an official license from the Mining Industry and Trade Organization. In mining without a license, the crime of smuggling and illegal import of a miner (cryptocurrency mining device), possession of a smuggled miner device, the crime of unauthorized purchase, transportation and storage of a miner device (cryptocurrency mining device), the crime of unauthorized use of electricity, the crime of harming public health and the environment through illegal mining of cryptocurrency, and the crime of harming public facilities and equipment are among the most important criminal and illegal titles related to mining of digital currencies.

Keywords: mining, extraction, digital currency, electricity, public property.

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Introduction

Mining is a job that humans have been doing for thousands of years. From the earliest human settlements in Africa to the height of the Roman Empire, and even now, mining continues to be the best way to get hold of valuable minerals. With the increasing growth of digital, quarry mining has also changed its nature and digital mining has expanded. Cloud mining or cloud mining is a simple way to mine digital currency that does not require any hardware or mining farm. Essentially, in cloud mining, you rent the computing power needed for mining from third-party sources. Cloud mining essentially brings the computational work to the world of cryptocurrency mining. Instead of buying expensive computers to mine these cryptocurrencies, you can rent the computing power needed from a cloud mining company located anywhere in the world. Cryptocurrency miners or miners do something that allows them to get hold of digital currencies. Cryptocurrency mining requires solving complex mathematical equations that only advanced hardware can do. Cryptocurrency mining raises numerous legal questions that, given its

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novelty, require precise answers. What is the criminal law approach to cryptocurrency mining? Is such an act a crime, and more precisely, under what circumstances is it a crime, and what is its punishment? In order to examine the aforementioned questions, the concept of cryptocurrency mining is first explained, then the position of cryptocurrency mining in Iranian law is examined, followed by a discussion of its jurisprudential basis, and finally, criminal cases related to cryptocurrency mining are examined.

1. Cryptocurrency mining

The process of forcing computer hardware to perform mathematical calculations for the cryptocurrency network, in order to verify transactions and increase security, is called cryptocurrency mining. A significant number of transactions are carried out daily on the Bitcoin network, which are stored in the transaction pool. To confirm each transaction, traders must set an amount as a confirmation fee to make nodes willing to review and confirm that transaction. The miner selects a number of transactions based on the time of the transaction and proposes it to the network by including them in a block of one megabyte in size, and then by solving complex mathematical equations, that block is encrypted, after which it will no longer be possible to change the information. The rapid solution of these equations requires the integration of a large number of powerful computers, known as mining pools; because due to the difficulty of the network, ordinary computers alone are not able to solve the mathematical problem formulas of the blocks in a short time. With the participation of multiple nodes, which mine and encrypt a block together in pools, this is done in a short time. The miner sends the new block - which, according to the network settings, can be solved every ten minutes - to the network nodes. Other miners, while mining subsequent blocks, also verify the transactions in this block. The mining node (each pool in the network is known as a miner) receives a number of bitcoins as a reward after completing the proof-of-work process, and each system will receive a share of the mining reward equal to the octal power it has used. Cryptocurrency miners can receive transaction fees for the transactions they securely verify as a reward for their services, and in addition, they can collect newly generated cryptocurrencies.

Mining is a specialized and competitive market where rewards are distributed according to the amount of calculations performed. Not all cryptocurrency users mine cryptocurrency, and mining is not an easy way to earn money (Chuen, 2015:53).

Cryptocurrencies are extracted or produced through a process called “mining”. To do this, computers try to solve complex mathematical puzzles called “hashes”. People all over the world try to be the first to solve the “hash”, and whoever succeeds in doing so receives a certain amount of cryptocurrency as a reward. This requires specialized hardware that works 24/7; therefore, even if a computer has a fast graphics card, it is unlikely to succeed in this way (Zheng, 2016).

Cryptocurrencies use decentralized technology and allow users to securely pay and store money without the need to register or use banks and intermediary organizations. In fact, most cryptocurrencies run on a distributed database called blockchain and, in addition to being able to buy and sell, are produced by a process called mining or examination. Since there is no central entity that can properly perform all the processing, computers take on this responsibility; this is called mining (Dehghani; Mozaffari, 2018). Mining is used to verify transactions and produces new coins. It is predicted that the volume of transactions will increase significantly over time. For this reason, sufficient incentives must be created for miners so that they can receive their share of the transaction verification in the process.

One of the stages of cryptocurrency mining is cryptographic signature. A cryptographic signature is a mathematical mechanism by which ownership can be proven. In the case of Bitcoin, the Bitcoin wallet and its private keys are linked together with some mathematical magic. Whenever your Bitcoin software signs a transaction with the appropriate private key, the entire network can see that the signature matches the Bitcoins that are being spent. However, there is no other way in the world that someone could guess your private key and steal your hard-earned Bitcoins (Franco, 2015:56). Confirmation (consensus) is the next step in cryptocurrency mining. Confirmation is the majority of people in the network agreeing to a transaction that comes to the network. More precisely, it means that the transaction has been processed by the network and that the probability of it being reversed is very low.

2. Cryptocurrency Mining in Iranian Law

Iran is a popular country for cryptocurrency mining. It may seem a bit strange, despite the slow internet speed. But the mining farm laws in Iran are quite transparent and in some cases, supportive. In 2019, the Iranian government officially recognized Bitcoin mining. However, miners are required to pay more for electricity consumption and must sell the Bitcoins they have mined to the central bank. Since Iran is a fossil fuel country, in order to reduce the consumption of this fuel, cryptocurrency mining is prohibited during peak consumption times. This ban was in place for four months in 2021. All of these conditions have made Iran one of the most attractive countries for establishing Bitcoin farms. On 13/5/98, the Council of Ministers, through Resolution No. 58144 /T 55637 E, announced the conditions for the use of cryptocurrencies, the criteria for the use and extraction and establishment of cryptographic processing units, and specified the duties of each of the governing, executive, and supervisory bodies. In the same year, the Executive Regulation on the Extraction of Cryptocurrency Processing Products was announced by the First Vice President, and cryptocurrency mining was declared legal. In general, cryptocurrency mining is considered legal in Iran. However, there is a very important and fundamental condition. In order to extract cryptocurrencies, a special license must be obtained from the Ministry of Industry, Mine and Trade. The Executive Regulation on the Extraction of Cryptocurrency Processing Products requires all owners of cryptocurrency mining devices (miners) to register their identity details, along with the number and type of devices they own, in a system determined by the Ministry of Industry, Mine and Trade, according to the form available in this system, and to pay all government fees and charges through the online payment portal provided in this system, within a maximum of one month from the date of the announcement by the Ministry of Industry, Mine and Trade. Although the registration of cryptocurrency mining devices in this system is self-declared and optional, if the devices are not registered and after one month from the date of registration, the consequences of not registering the devices in the system will be the responsibility of the owner and holder of the device. In fact, if someone attempts to mine without this license, their action is illegal and punishable. This issue will be addressed in the section on cryptocurrency mining crimes. Since Iranian law is influenced by jurisprudential principles, it is necessary to first examine the jurisprudential basis of the cryptocurrency mining license.

4. Cryptocurrency mining crimes

Cryptocurrency mining crimes include:

1-4. The crime of smuggling and illegal import of miners (cryptocurrency mining devices)

Miners (cryptocurrency mining devices) are conditional permitted goods, meaning goods whose import or export, in addition to carrying out customs formalities according to the law, requires obtaining prior permission from one or more relevant legal authorities. According to Article 18 of the Law on Combating Smuggling of Goods and Currency, any person who commits smuggling and illegal import of mining devices or mining devices, in addition to confiscating the mining devices, will be sentenced to a cash fine equivalent to one to three times the value of the goods, depending on the price inquiry from customs.

The Central Headquarters for Combating Smuggling of Goods and Currency, pursuant to Resolution No. 204483/00/S dated 10/11/1400, has attempted to regulate smuggled miners and has prescribed the elimination of miners in the following cases. This resolution has 3 clauses, each of which is dedicated to a specific issue.

According to Article 3 of the amended Law on Combating Smuggling of Goods and Currency, the resolutions of the Central Headquarters for Combating Smuggling of Goods and Currency are binding on all executive agencies and police command of the Islamic Republic of Iran after being signed by the President on issues related to the duties of the headquarters. According to the beginning of the aforementioned article, the headquarters' resolutions must: "For the purpose of policy-making in the field of executive affairs, prevention and combating smuggling of goods and currency, and planning, coordination and supervision in these cases." Therefore, the headquarters' scope of authority in approving resolutions is limited to policy-making in the field of executive affairs, planning, coordination

and supervision, and naturally, it cannot issue resolutions that contradict the Law on Combating Smuggling of Goods and Currency or approve substantive resolutions. According to paragraph 1 of the aforementioned regulation, mining devices that have been definitively convicted of smuggling and are in the warehouses of the Organization for the Collection and Sale of Property shall be sold if they have a standard and other legal permits. If these devices do not have a standard, they must first be sold on condition of export, and if they are not sold in the auction on condition of export, the organization must proceed with their technical destruction. The latter is the only case where the aforementioned resolution has prescribed the destruction of miners. The validity of which requires examination in accordance with legal regulations.

According to Article 56 of the Amended Law on Combating Smuggling of Goods and Currency, the procedure for dealing with smuggled goods (except for perishable, flammable goods, livestock and poultry, and goods that change in quantity and quality over time) is as follows: First, the smuggled goods must be sold through an auction within 2 months of the date of the final decision, provided that they leave the country under the foreign transit or export procedure. If the aforementioned goods are of the type of "similar goods" that can be traded on the commodity exchange, the transfer of these goods must be carried out through the mechanisms of the commodity exchange. In the case of dissimilar goods, the use of the aforementioned mechanism is optional, and the goods subject to this paragraph are sold only through the export ring of the Iranian Commodity Exchange. If the acceptance board or supply committee does not agree to accept the goods for listing on the commodity exchange, or if the goods are not sold after being listed on the exchange three times in compliance with the exchange's regulations, including changing the base rate, it is time to hold an auction on the condition of leaving the country under the foreign transit or export procedure, in which case the deadline for holding the auction is two months from the final date of non-acceptance of the goods on the exchange or the completion of the transaction process at one place.

2-4. Possession of a contraband mining device

If a person purchases a mining device that has been illegally imported into the country, he will be prosecuted as a perpetrator of the crime of purchasing a mining device. If he places this miner in a place and uses it to extract digital code, he has committed the crime of using a mining device. This means that since this action is illegal, this person will be punishable. Possession of a smuggled mining device in the first instance: 1 to 3 times the purchase price of the device and confiscation of the smuggled device; for the second instance: 1 to 5 times the purchase price of the smuggled device; for the third instance: 1 to 7 times the purchase price of the device; for the transporter of the smuggled device: 6 months to 2 years in prison; for the importer of the smuggled device: 5 to 7 times the purchase price of the device, a fine, whipping, and imprisonment; for the second instance: 7 times the purchase price of the device, a fine, whipping, and imprisonment; for the third instance: 7 times the purchase price of the device, a fine, whipping, imprisonment, and confiscation of all property and assets in favor of the government.

3-4. Crime of unauthorized purchase, transportation, and storage of a mining device (cryptocurrency mining device)

Any person who carries out unauthorized transportation and storage of mining devices in accordance with Article 18 of the Law on Combating Smuggling of Goods and Currency, in addition to confiscating the mining device or devices, will be sentenced to a fine equal to one to three times the value of the miner, as requested by the customs. According to Article 18 of the Supplementary Article approved on 21/7/94 to the Law on Combating Smuggling of Goods and Currency, if trade units, i.e. persons who have business licenses from trades and professional unions, illegally transport and store mining devices, the perpetrators will be sentenced to the following cash fines, depending on the number of times the violation is repeated, in addition to confiscating the mining devices: First instance: A cash fine equal to 2 times the value of the mining devices. Second instance: A cash fine equal to 4 times the value of the mining devices. Third instance: A cash fine equal to 6 times the value of the mining devices and installing a banner or sign on the door of the business as a trade violator and closing the business for 6 months.

If unauthorized mining devices are supplied and sold by trade units, the perpetrators will be sentenced to the following penalties, depending on the number of times the violation is repeated, in addition to confiscating the mining devices: First instance: A cash fine equal to 2 times the value of the goods. Second offense: A fine equal to 4 times the value of the goods. Third offense: A fine equal to 6 times the value of the goods and the installation of a banner or sign on the door of the business as a trade violator and the closure of the business for 6 months.

4-4. The crime of using unauthorized electricity

Since 2018, electricity distribution companies have encountered a phenomenon called cryptocurrency mining. Given that this issue was considered an attractive and profitable business for many enthusiasts, it has rapidly developed among electricity subscribers within a few years. Although the most important thing in the trend towards cryptocurrency mining and the installation and use of related devices (miners) was to earn large revenues, it has caused many electricity distribution companies to face many challenges and problems in the field of distributing electricity to legal subscribers due to unauthorized installation and outside the legal process. Despite many efforts made to discover and identify these centers, we are still facing a significant growth of this phenomenon at present (Aqababagli, 2010). Considering that energy is cheap in Iran and despite all the costs incurred in production, transmission and distribution, and considering that mining devices have high consumption and require continuous and stable electricity supply, this has led to the development of these devices in various electricity tariffs, especially agricultural, industrial, domestic and commercial tariffs (Aqababagli, 2011). Although the type of use of these devices in different electricity tariffs is different, the reason for installing these equipment in electricity distribution subscribers is the following: 1) cheap energy 2) electricity stability 3) lack of strictness in observing the consumption culture and observing the components of the consumption pattern 4) the spread of electricity distribution networks in urban and rural areas 5) distribution of electricity subsidies from low-consumption to high-consumption subscribers.

Cryptocurrency mining devices (miners) often have high energy consumption. In addition to the energy consumption of the device itself, these costs also include cooling devices. Although the consumption of such devices varies depending on the type and model of the device, according to previous experiences, Bitcoin mining devices (miners) along with cooling devices and other electrical accessories have allocated an average of about 2.5 kilowatt hours of energy consumption. It is necessary to explain that this consumption is continuously and sustainably generated on electricity distribution networks. Given that the increase in network load due to the use of unauthorized cryptocurrency centers, especially in residential areas, has caused a drop in network voltage, this has caused the desired voltage of 220 volts single-phase and 380 volts three-phase subscribers' electrical installations to not be provided at the electricity sharing location. This has caused numerous damages to the electricity distribution network facilities and subscribers' electrical installations. According to past experiences, during the years 1398 to 1400, the most damages have occurred in the following cases.

1- Burning of electricity subscribers' equipment and facilities due to failure to provide appropriate voltage at the point of connection

2- Fires in some unauthorized unsafe cryptocurrency centers, which caused fires and damage to the company's facilities (including cables and meters).

3- Wire breakage, especially during peak load times due to heat generated in the power distribution wire and cable networks

4- Burning of power distribution transformers due to increased load beyond (transformer capacity)

5- Damage to subscribers' power facilities due to power outages due to power shortages.

Explanation: Due to their high energy consumption, cryptocurrency mining consumes a lot of electricity. The electricity of these devices will be determined in accordance with Article 7 of the "Cryptocurrency Mining Regulations" if permits are obtained from the relevant authorities.

Now, if individuals use the country's electricity to mine cryptocurrencies without obtaining the necessary permits from the Industry, Mining and Trade Organization of the counties and electricity departments, in addition to the obligation to pay the price of electricity consumed and Compensation for damages incurred, if it is for domestic use, will be a fine of the 6th degree subject to Article 19 of the Islamic Penal Code, and for non-domestic use, will be sentenced to pay one to two times the price of electricity consumed. And in case of repeated and illegal use of electricity branches, will be sentenced to pay the aforementioned fines and their electricity branch will be disconnected for 3 to 6 months, and if a person intentionally attempts to change or disrupt the electricity meter (meter), in addition to the cost of eliminating the disruption, will be sentenced to pay the price of electricity consumed and compensation for the damage incurred. In other words, according to Article 1 of the Law on Punishment of Unauthorized Users of Water, Electricity, and Telephones approved in 1396, people who illegally and without a license use electricity branches to mine Bitcoin and extract other illegal digital currencies will be sentenced as follows in addition to the obligation to pay the price of electricity consumed and compensate for the damages incurred. In case of domestic use, will be sentenced to pay a fine of the 6th degree subject to Article 19 of the Islamic Penal Code approved in 1392 and for non-domestic uses, they will be sentenced to pay one to two times the price of electricity consumed. If these individuals repeat the mistake and illegally use electricity branches, they will be sentenced to pay the fine stipulated in paragraph A and their electricity consumption will be cut off for three to six months. Also, Article 2 of the Islamic Penal Code approved in 1392 emphasizes that any person who changes or disrupts the electricity consumption measuring devices will be sentenced to pay the consumption price and compensate for the damages incurred, in addition to paying the cost of eliminating this disruption.

5-4. The crime of harming public health and the environment through illegal cryptocurrency mining

According to the regulations on cryptocurrency mining assets, the establishment of cryptocurrency mining centers should not be in specific geographical areas of specific urban and non-urban locations. And if the establishment of cryptocurrency mining centers or the so-called establishment of cryptocurrency farms harms the public health and hygiene and the environment of individuals, the perpetrators will be sentenced to the punishment stipulated in Article 688 of the Islamic Penal Code, as the case may be. According to Article 688 of the Islamic Penal Code: "Any action that is recognized as a threat to public health, such as Contamination of drinking water or distribution of contaminated drinking water, unsanitary disposal of human and animal waste and waste materials, dumping of toxic substances in rivers, littering in the streets and unauthorized slaughter of livestock, unauthorized use of raw sewage or wastewater from sewage treatment plants for agricultural purposes are prohibited, and the perpetrators will be sentenced to imprisonment for up to one year, unless they are subject to more severe punishments under specific laws. The Islamic Penal Code emphasizes in Article 688 that if an individual or individuals harm public health and the environment, the legislator can consider a punishment of up to one year in prison for the individual. For unauthorized users of digital currency mining devices that are likely to cause harm to public health and the environment, if a more severe punishment is not considered, the punishment of this article must be implemented. The harmfulness of miners must also be confirmed by a health expert or environmental experts. It is necessary to clarify that the cases stated in the above article are not exclusive and any action that is considered harmful to public health and the environment is subject to This is the material.

6-4. Crime of damage to public facilities and equipment

Public facilities and equipment such as electricity, oil, gas, radio and television frequencies and their accessories, branches of power and gas power plants, overhead power transmission and telecommunications cables, etc. are under the protection of the law. Any possibility of damage and threat to these items is considered a criminal act, and the legislator has established laws for the violator. Illegal use of miners may also cause damage to electricity branches and cables, which is a prime example of this disruption. Any destruction, fire, or disabling of these facilities and equipment is considered a disruption

of public order and security and carries a prison sentence of three to ten years. This punishment will be equivalent to the punishment of war for those who act to harm the Islamic system and government.

If any person attempts to destroy public facilities and equipment through illegal and unauthorized mining of cryptocurrency, he will be convicted according to Article 677 of the Islamic Penal Code. Article 677 of the Islamic Penal Code states: "Whoever intentionally destroys or destroys or renders inoperable movable or immovable objects belonging to another person, in whole or in part, shall be sentenced to imprisonment for a term of three months to one year and six months, and if the amount of damage caused is one hundred million (100,000,000) rials or less, he shall be sentenced to a fine of up to twice the amount of the damage caused."

Conclusion

The results showed that from a jurisprudential perspective, mining cryptocurrencies does not correspond to the possession of permitted assets; because despite the correspondence in intention, the conditions of the agent and the conditions of authenticity and stewardship are substantively different. Possession occurs only in two forms: main and incidental, neither of which corresponds to mining cryptocurrencies. Cryptocurrency mining can be compatible with everyone in terms of offer and acceptance, exchange and action, but in the nature of cryptocurrency mining, it does not have the spirit of a gift. Cryptocurrency mining is compatible with the general principle of jurisprudence, because in all the pillars, offer and acceptance (in both, there is an actual offer and acceptance), a forger (the forger must have the ability to possess), although the existence of characteristics such as maturity, reason, growth, intention seems certain, because his genius in laying the foundation and creating such a network is impossible without the existence of these characteristics. Cryptocurrency mining is not prohibited by law and is possible with the permission of the Ministry of Industry and Mines. This is due to the acceptable nature of cryptocurrencies from the perspective of jurisprudence and law. Cryptocurrency mining is largely compatible with the general principle of jurisprudence, because in all the pillars; Offer and acceptance) There is a present in both offer and acceptance (, forger) The forger must have the ability to possess, but this condition cannot be met due to the anonymity of Satoshi Nakamoto, the creator of cryptocurrencies, although the existence of characteristics such as maturity, reason, growth, intention seems certain because his genius in laying the foundation and creating such a network is impossible without these characteristics. It is also more reasonable to have consent considering that he personally attempted to publish an article about Bitcoin. The existence or absence of bankruptcy in him is unknown, but the cost of designing this network can in a way confirm the inventor's lack of financial incapacity, and perhaps as long as there is no evidence for his bankruptcy, he can be ruled not to be bankrupt (, agent) The agent in both can be, undetermined, a child of distinction and incapacity (, action) In both, the action, the intention of the reasonable person, is known and permissible (and forgery) is known in both, although ignorance is generally acceptable in the case (mining cryptocurrencies is consistent with the case). The latest will of the legislator in the field of public services is the Law on Punishment of Unauthorized Users of Water, Electricity, Telephone, Sewage and Gas, approved on 10/03/1396, which, despite its shortcomings, ambiguities and shortcomings, has played an important role in updating the laws and eliminating some of the shortcomings and ambiguities of previous laws. This is while the supply of electricity to applicants for mining cryptocurrencies is simply by receiving an electricity branch from the national network or The construction of a new power plant will take place outside the national grid, and in relation to this law and the issue in question, namely the unauthorized use of electricity distribution for cryptocurrency mining, it should be said that according to the aforementioned law, two criminal offenses are foreseen in relation to cryptocurrency mining:

1. Illegal use of electricity: According to Article 1 of this law, any person who attempts to use the aforementioned services without receiving a legal electricity connection or who attempts to use them illegally while having a connection will be fined as follows, in addition to being required to pay the cost of consumer services and compensation for damages and other related rights: A - In the case of household use, a fine of the sixth degree referred to in Article (19) of the Islamic Penal Code approved on 1/2/1392, and in the case of non-domestic use, one to two times the cost of consumer services. B - In case of repetition, the maximum fine stipulated in paragraph (a) and disconnection of the connection for a period

of three to six months. B: Causing disruption in electricity consumption measuring devices: According to Article 2 of this law, any person who attempts to seize or change the status of electricity metering devices or the electricity network in any way in a way that disrupts the correct functioning and recording of consumption figures, in addition to being required to restore the situation to its previous state, shall be sentenced to pay the cost of consumer services and compensation for damage and a sixth-degree fine as provided for in Article (19) of the Islamic Penal Code approved on 1/2/1392. This is while the matter is not subject to Article 687 of the Islamic Penal Code.

2. Threat against public health or the environment: According to Article 688 of the Islamic Penal Code, any action that is considered a threat to public health is prohibited without specifying its instances and the perpetrators are punished with imprisonment for up to one year if they are not subject to more severe penalties according to specific laws. According to Note 1 below this article, determining that the said action is considered a threat to public health and environmental pollution, as well as declaring the aforementioned crime, as the case may be, will be the responsibility of the Ministry of Health, Medical Education and Treatment, the Environmental Protection Organization, and the Veterinary Organization; Therefore, if the inspector or expert of the health network or the Environmental Protection Organization determines that the use of this device is dangerous, the perpetrator will be sentenced to the punishment of that crime.

3. Destruction of public electrical equipment and facilities for the purpose of disrupting public order: According to Article 687 of the Islamic Penal Code, anyone who destroys, sets fire to, disables, or does any other type of sabotage in public facilities and equipment, such as water and sewage networks, electricity, oil, gas, post, telegraph, telephone, frequency and microwave (telecommunication) centers, radio and television, and their related accessories, including dams, canals, pipeline branches, power plants, power and telecommunications transmission lines (aerial, terrestrial, or optical cables), and their production, distribution, and transmission devices, which are created at the expense or capital of the government or with joint capital of the government and the non-governmental sector, or by the private sector for public use, as well as in traffic signs and other signs installed for the purpose of protecting the lives of individuals or providing the above facilities or streets and roads, without the intention of disrupting public order and security, will be sentenced to imprisonment for three to ten years. According to Note 1 of this article, if the aforementioned acts are intended to disrupt public order and security and confront the Islamic government, the punishment is mohareb. The property belonging to the government is not a condition for the commission of the crime under this article. It is important that the property being destroyed is created for public use, whether it belongs to the government or the private sector. Or that it was created with joint capital from the government and the private sector. Given the destructive nature of the effects of using digital currency mining devices, it may damage the regional power grid, which in turn leads to the commission of the crime of disrupting the network and public facilities.

4. Smuggling, transporting and storing cryptocurrency mining devices (conditionally permitted goods)

Pursuant to Article 18 of the Law on Combating Smuggling of Goods and Currency, in the event of committing smuggling behaviors, transporting and storing conditionally permitted goods, in addition to confiscating the goods, the perpetrator is sentenced to a fine equivalent to one to three times the value of the goods. Pursuant to Note 1 under Article 18 of the Law on Combating Smuggling of Goods and Currency, the supply and sale of smuggled goods under this article is prohibited and the perpetrator is sentenced to the minimum penalties stipulated in this article. According to Article 18 of the Law on Combating Smuggling of Goods and Currency, the storage, supply or sale of goods, as well as the smuggling of these goods, as the case may be, by trade units or exchange offices, is considered a violation and, in addition to confiscating the goods, the perpetrator is fined as follows: A - First instance: a cash fine equal to twice the value of the smuggled goods. B - Second instance: a cash fine equal to four times the value of the smuggled goods. C - Third instance: a cash fine equal to six times the value of the smuggled goods and the installation of a cloth or sign over the door of the business as a trade violator and the closure of the business for six months.

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