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Unpacking the Fifth Circuit's Landmark Tornado Cash Decision

The Crypto Exchange Podcast

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In this episode of *The Crypto Exchange*, Ethan Ostroff is joined by colleagues Pete Jeydel and Matt Orso to discuss a recent landmark decision from the Fifth Circuit regarding Tornado Cash. The court ruled that the Office of Foreign Assets Control (OFAC) exceeded its authority by sanctioning immutable smart contracts created by Tornado Cash. This decision has significant implications for the regulation of decentralized finance (DeFi) technologies under the International Emergency Economic Powers Act (IEEPA).

The group discusses the Fifth Circuit's analysis, highlighting the court's application of the *Loper Bright* decision and its refusal to defer to OFAC's broad interpretation of the term "property." They highlight ongoing criminal prosecutions related to Tornado Cash and the potential future impact of this ruling on OFAC's regulatory authority and enforcement practices.

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