



DEBUNKING THE SPIN

Exposing the logical fallacies, misrepresentations
and misleading statements of the proponents to
the 2022 UCC Amendments

CLAIM: The word ‘digital’ only occurs once throughout the 2022 Uniform Commercial Code Amendments, therefore this legislation has nothing to do with digital currency.

RATING: **MOSTLY FALSE – Part to Whole Logical Fallacy**

FACTS: The first part of this statement is intentionally misleading, and is trying to use the occurrence, or lack thereof, of a single word to indicate the meaning of the whole bill.

While the word ‘digital’ only appears once in this legislation, the word ‘electronic’ appears 252 times, the term ‘electronic record’ appears 115 times, and the term ‘electronic money’ appears 34 times. Digital is simply one electronic method of storing and processing data, much like analog radio signals are, and does not mean that other electronic methods may not be developed for electronic money that are no longer “digital.”

The second part of this statement is entirely false. This legislation was created by the Uniform Law Commission as a part of the 2022 Uniform Commercial Code Amendments which redefines the term “money” under Section 1 (24), and according to the ULC video about the amendments entitled “[UCC Amendments Part 1: Digital Assets](#)” starting at 47:00:00, to mean that under this definition “bitcoin will not be money,” but “Central Bank Digital Currency, CBDC ... could be money.”

CLAIM: The UCC is state law, and the adoption of this legislation provides definitional certainty to digital assets which is good for cryptocurrency.

RATING: **MOSTLY FALSE – Composition & False Equivalence Logical Fallacies**

FACTS: The first part of this statement is true, but the second part of this statement is misleading based on the following two logical fallacies of false equivalence and composition.

First, this statement is a false equivalence by implying that “asset” and “currency” mean the same thing. Currency is a “system of money,” whereas an “asset” is “a thing of value ... that a person or company owns, ... used or sold.” In short, while money can be an asset, an asset is not always money. The effect of this is that assets are taxed, whereas money in and of itself is not, resulting in a financial disincentive to use cryptocurrencies if it is an asset, as it would be subject to taxation that money would not be.

Second, while “definitional certainty” is generally a good thing, it does not mean that redefining ‘currency’ or ‘money’ to mean an ‘asset’ is good. Redefining a thing to mean something it is not, is bound to have unintended consequences, such as defining a car to mean an animal, and then being shocked when you’re charged with animal abuse for slamming your car door too hard.

CLAIM: There are numerous other states that have introduced this legislation, and all those other states wouldn't introduce this if it wasn't good.

RATING: **MOSTLY FALSE – Bandwagon Logical Fallacy**

FACTS: This claim, and its many variations, is a classic example of the bandwagon logical fallacy. The popularity of an idea has absolutely no bearing on its validity, and if it did, the Earth would have been flat for most of history to accommodate this popular belief. Jim Crow laws and similar eugenics legislation that were supported by 'experts' at the time were once popular throughout the United States, but it certainly didn't mean those laws were good nor were based on ideas that were true either.

CLAIM: This legislation is supported by bankers, financial experts and other businesses, and is therefore good.

RATING: **MOSTLY FALSE – Appeal to Authority & Bandwagon Logical Fallacies**


FACTS: This claim, and its variations, is a classic example of the logical fallacy of appealing to authority and the bandwagon effect. Just because an "expert" says something is true, does not mean it is, and such an argument fails to prove or disprove anything. Experts are wrong all the time. For example, in 1883 President of the Royal Society Lord Kelvin was a recognized scientific 'expert,' but was wrong when he said that "x-rays will prove to be a hoax." Additionally, banking and financial experts are not always right either, refer to the 2008 Housing Crisis for an example.

And the popularity of an idea, even a bandwagon of experts, does not make something valid or true. If a popular held belief by experts did make something true, bloodletting would still be practiced, the world would be flat, and people would never fly in an airplane.

CLAIM: Failure to adopt this legislation jeopardizes our state's ability to remain competitive in commerce and fair market trade. OR If we don't adopt this legislation, [insert negative outcome].

RATING: **FALSE – Slippery Slope Fallacy**

FACTS: This claim, and its variations, is a classic example of the logical fallacy of a slippery slope argument. If 'A' happens, then 'B' will happen, which will cause 'C' horrible incident. This extremist hypothetical postulation exercise is nothing more than that, extreme hypotheticals, and in itself does not address the validity or invalidity of the issue of whether this bill does or does not legally define money in a manner to exclude cryptocurrencies while including a central bank digital currency as money under the new definition.



CLAIM: The Uniform Commercial Code (UCC) has never been revised or amended in our state: FALSE; The UCC is federal law and dictates that you can only use electronic forms of money: FALSE; The 2022 Amendments to the Uniform Commercial Code was completed over a weekend with NO input from states: FALSE

RATING: **MOSTLY FALSE – Straw Man Fallacy**

FACTS: The statements imply that these are arguments being made by opponents, but is a misrepresentation of the current opposition to the 2022 Uniform Commercial Code Amendments, which is solely focused on the redefinition of money to be defined in a manner that would exclude cryptocurrencies and include a central bank digital currency (CBDC) under its definition.

CLAIM: “There is a national effort to oppose these bills due to a misperception that the amendments will (i) prevent the use of Bitcoin and other cryptocurrencies and (ii) encourage the development of a central bank digital currency in the United States. Both statements are 100% false.” OR “The UCC is federal law and dictates that you can only use electronic forms of money: FALSE”

RATING: **FALSE – Straw Man Fallacy**

FACTS: These statements, and the variations of them, are misrepresentations of our opposition and arguments against this legislation. We are not arguing whether this legislation will allow people to use or not use cryptocurrency or whether it encourages the implementation or not of a central bank digital currency (CBDC). We are quoting the authors of this legislation, the Uniform Law Commission, in illustrating that the term “money” is being redefined under this legislation in a manner that would no longer recognize cryptocurrency as money but would recognize a CBDC as money under this new definition. As stated in the ULC video, [“UCC Amendments Part 1: Digital Assets”](#) starting at 47:00:00, Steven Weise explains that under this definition “bitcoin will not be money,” but “Central Bank Digital Currency, CBDC ... could be money.” And the effect of this is that cryptocurrency would be considered a “digital asset” while CBDC would be considered money, resulting in a disincentive to own or use cryptocurrencies due to tax implications.

CLAIM: Without a definition of money, our state will let other countries define what money means under our state laws, so our state will lose control of that definition

RATING: **FALSE – Gaslighting & Tu Quoque Logical Fallacy**

FACTS: This claim is uniquely and especially logically flawed, as well as being a bit psychologically unsettling, as the accused, is accusing the accuser of what they are in fact doing.

They are arguing against letting a foreign government define what money is, while defining money to be any “medium of exchange that is currently authorized or adopted by a ... foreign government.” Hence, this is also somewhat a form of circular logic, as they are saying that ‘A’ is bad, and ‘B’ is the same as ‘A.’

CLAIM: Several states have already adopted earlier versions of this legislation, including: Iowa (H. 2445), Nebraska (LB 649), Indiana (HB 351), Arkansas (HB 1926) and Texas (HB 4474).

RATING: **TRUE – Wrong Side of Argument**

FACTS: The proponent of the 2022 Uniform Commercial Code Amendments using these points as a strategy to promote the amendments, seems to forget what side they are arguing for. This is one of the most confusing arguments proponents of the 2022 UCC have offered, because it provides evidentiary proof to our argument that it is not necessary to redefine the term “money” in a manner that excludes cryptocurrency while considering central bank digital currency (CBDC) money to make the changes they are seeking, especially in regards to legally perfecting the security in lending practices, as described by Carla Reyes, Professor of Law. As Justin Haskins of the Heartland Institute explained in his critic of the 2022 UCC Amendments, “[m]any of the proposed amendments to the code ... are valuable, but the drafters of the legislation also included a few extremely troubling, completely unnecessary, provisions.” That’s our point, not theirs.

CLAIM: The 2022 Uniform Commercial Code amendments would allow banks to extend loans secured by cryptocurrency.

RATING: **FALSE – Mala Fides Logical Fallacy**

FACTS: The author of this claim either knows, or should know, that crypto-lending already occurs all over the country, and the world today. The 2022 Uniform Commercial Code amendments are not necessary to continue crypto-lending itself.

However, there are aspects of the UCC amendments that deal with legally perfecting the security, or collateral, in these types of transactions that are legally beneficial to standardize. But it is not required to redefine the term “money” in order to legally resolve these issues.

CLAIM: “As we all know, digital assets are, by definition, not capable of being reduced to physical form.” OR “Everyone knows, cryptocurrencies do not have a physical form capable of possession.”

RATING: **FALSE – Alleged Certainty, Mala Fides & Red Herring Logical Fallacy**

FACTS: This statement is a unique combination of logical fallacies, in that the statement begins with the classic “as we all know” alleged certainty fallacy, it then makes a statement that the author of this claim either knows, or should know, that physical bitcoins and cryptocurrencies exist. Physical cryptocurrency are usually metallic coins with a printed symbol of the cryptocurrency and its private key of the currency on the back. There are other versions of physical cryptocurrency, including moon money, crypto-chips and crypto cold storage coins. Finally, this statement is inconsequential to the impact of the legislation due to redefining money.

CLAIM: The only new piece to the 2022 Uniform Commercial Code amendments is Article 12.

RATING: **FALSE – Mala Fides & Red Herring Fallacies**

FACTS: This is false *prima facie* with nearly 200 lines of law that are removed throughout the amendments and well over 100 lines of law that are added even before Article 12 of the 2022 Uniform Commercial Code Amendments. In addition, this completely distracts from the subject of redefining “money” in a way that excludes cryptocurrencies while recognizing a central bank digital currency as “money.”

CLAIM: Defining cryptocurrency as money would provide no greater protections or benefit. But if we don’t redefine cryptocurrency as an asset, cryptocurrency could be used in modern day commercial transactions.

RATING: **FALSE – Contradictory Logical Fallacy**

FACTS: The ability to use cryptocurrency as a chosen medium of exchange for commercial transactions is a benefit, and contradicts the first statement that defining cryptocurrency as money would have no benefit.

CLAIM: This bill is complex and requires you to be educated on the subject, but once you are, you’ll see it is the best thing for cryptocurrencies.

RATING: **FALSE – Esoteric Knowledge & Jumping to Conclusions Logical Fallacies**

FACTS: Both parts of this statement are based on assumptions, with no basis in fact or logic. This statement first presumes that the average person is unable to comprehend the 2022 Uniform Commercial Code Amendments as it is presented and it can only be understood by those that have been “educated on the subject.” In other words, they are saying that you’re too stupid to get it without their help in obtaining their esoteric knowledge. Then the statement jumps to the conclusion that once you have been “educated on the subject,” you’ll agree with all of the 2022 Uniform Commercial Code Amendments.

CLAIM: There is no provision in the 2022 Uniform Commercial Code Amendments about “programmable money,” we only deal with “electronic money” like CBDCs.

RATING: **FALSE – Equivocation Logical Fallacy**

FACTS: This statement uses the term “programmable money” while then referring to “central bank digital currency (CBDC)” in a manner to imply that they are different. A CBDC is an electronic, programmable digital currency issued by a country’s central bank.

CLAIM: Redefining cryptocurrencies from digital money to a digital asset was a good thing.

RATING: **FALSE – Prejudicial Language**

FACTS: This statement assumes that redefining cryptocurrencies from a digital money to a digital asset is morally correct, without providing any argument, evidence or proof of any kind to substantiate the statement. In some respects, this is not a logical fallacy, as there is no logic applied, it simply is structured to predetermine that this is correct

CLAIM: Whether you like it or not, whether you're a crypto fan or not, it has no bearing on this discussion. Cryptocurrency is out there and it needs to be defined in legal terms in the 2022 Uniform Commercial Code Amendments and that's what it does.

RATING: **FALSE – Argumentum ad Baculum, AKA Just Do It Logical Fallacy**

FACTS: This argument can be best phrased as "do it because I said so," and makes no attempt to substantiate any reasoning for such actions. Obviously, this is not logical nor does it explain why cryptocurrency needs to be defined or in what way, if it does need to be.

CLAIM: A Central Bank Digital Currency has not been created and it would be imprudent to create regulations governing something that does not yet exist.

RATING: **TRUE – Wrong Side of Argument**

FACTS: The proponent of the 2022 Uniform Commercial Code Amendments using these points as a strategy to promote the amendments seems to forget what side they are arguing for. This was a central argument from the Wall Builders coalition letter opposing this legislation, noting that by redefining money to recognize a central bank digital currency, the current proposed amendments "prematurely [create] the framework should the federal government ever implement a central bank digital currency." That's our point, not theirs.

CLAIM: Those that are opposing the 2022 Uniform Commercial Code Amendments are just crazy, their attacks make no sense, and it's nothing but conspiracies.

RATING: **FALSE – Ad Hominem Logical Fallacy**

FACTS: This statement attacks the person, not the issue, and attempts to disregard or discredit any opposition or objections. "Name calling" is typically a sign of a weak argument.

CLAIM: The Uniform Commercial Code was first published in 1952 and has been adopted by all fifty states in the nation. Since that time, the UCC has provided great benefit to the states and these amendments continue that process and benefits.

RATING: **MOSTLY FALSE – Appeal to Tradition Logical Fallacy**

FACTS: This statement in effect is saying because it was true in the past, it must be true now. By this logic, slavery should still be an accepted practice and women should not vote. These types of arguments use tradition as a basis for the present circumstances and in effect prove nothing nor provide any substantiated evidence to their point.