FOR INDIVIDUALS / RECOVERY CONCEPTS

Understand the difference between tracing, freezing and recovery

Learn what each stage establishes and why a trace or restriction does not itself mean that money will be returned.

01 A trace describes a path supported by evidence

A trace describes a transaction path within a stated scope. Check what was observed, what was inferred and what remains unknown. A path to an address does not by itself establish who controlled it, current asset availability or the possibility of return.

02 A restriction depends on who can act

A restriction requires a party with relevant control. Certain issuers can restrict their token at privately controlled addresses, but not every asset in a wallet. Capability and legal process vary. An investigator supports requests; a submitted request is not a confirmed restriction.

03 A return needs its own route

Even after a restriction, entitlement, custody, competing claims and return procedures may remain unresolved. Ask what is confirmed, who handles the next stage and what is still required. There is no universal recovery deadline.

04 Use these distinctions when reading a proposal

A proposal should define the deliverables, limitations, dependencies and possible additional work. Tracing can produce useful evidence without a recovery. Read commercial terms on the service page and use the relevant incident guide for situation-specific next steps.

Example. A fictional update says “a restriction request has been submitted”. It records an action taken by the sender. It does not establish that the recipient has restricted an account or that funds have been returned.

Review checklist

- ☐ I distinguish a trace from a confirmed restriction.
- ☐ I distinguish a submitted request from an accepted action.
- ☐ I know which party is responsible for the next step.
- ☐ I understand what a proposed engagement actually delivers.

Examples are fictional. Completing these checks does not establish safety or recovery prospects.

References: Circle: USDC terms

Incident happening now? Open immediate-help guidance.