

# Biden Administration Issues Executive Order on Cryptocurrencies

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On March 9, President Biden signed a highly anticipated [Executive Order](#) outlining his administration's cryptocurrency policy. We have previously blogged about the Biden administration's working group on [stablecoins](#) and the Federal Reserve's report on a potential U.S. central bank digital currency ("[CBDC](#)").

In a White House [Fact Sheet](#), the executive order targets six priorities, including:

- **Protecting consumers and investors:** By encouraging regulators to ensure sufficient oversight and safeguard against any systemic financial risks posed by digital assets.
- **Securing financial stability:** By encouraging the Financial Stability Oversight Council (FSOC) to identify and mitigate economy-wide (i.e., systemic) financial risks posed by digital assets.
- **Mitigating illicit finance:** By directing an unprecedented focus of coordinated action across all relevant U.S. Government agencies to mitigate these risks.
- **Promoting U.S. leadership in the global financial system:** By directing the Department of Commerce to work across the U.S. Government in establishing a framework to drive U.S. competitiveness and leadership in digital assets.
- **Supporting financial inclusion:** By affirming the critical need for safe, affordable, and accessible financial services.
- **Stimulating responsible innovation:** By directing the U.S. Government to take concrete steps to study and support technological advances in the responsible development, design, and implementation of digital asset systems.

The Executive Order directs the Department of Treasury to assess and develop policy recommendations and encourages regulators to ensure crypto oversight. In a statement, U.S. Secretary of the Treasury Janet L. Yellen stated that the Treasury Department will partner with interagency colleagues to “produce a report on the future of money and payment systems.” Treasury plans to convene the FSOC to evaluate the potential financial stability risks of digital assets and assess whether appropriate safeguards are in place.

The Executive Order will require the Administration, Congress, and agencies across the federal government to work towards establishing policies and regulations that will guide the ongoing development of digital assets. To that end, CFPB Director, Rohit Chopra, released a [statement](#) this morning stressing the Bureau’s commitment to “working to promote competition and innovation, while also reducing the risks that digital assets could pose to our safety and security.” “Today’s Executive Order recognizes that the dramatic growth in digital asset markets has created profound implications for financial stability, consumer protection, national security, and energy demand . . . [w]e must make sure Americans in all financial markets are protected against errors, theft, or fraud.”

**Putting It Into Practice:** The Executive Order stresses cooperation with and the important role of the private sector to help study and support technological advances in digital assets. Secretary Yellen also states that Treasury’s actions related to the Executive Order will be guided, in part, by market participants. As companies in the crypto space play a critical role, they will have to contend with the approaches taken by agencies such as FinCEN, SEC, CFPB, and the federal bank regulators. Impacted companies should continue to monitor these developments to make sure that the policies and regulations that come out after the Executive Order are clear and consistent.

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