

The time is now to get acquainted with the issues concerning the future of money and digital assets

Article By:

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The future of money and digital assets is a vast topic that presents numerous challenges, and it has even caused debate as to whether cryptocurrency is a prudent retirement plan investment. In its July 1, 2022 In Focus report, the Congressional Research Service nicely summarized the current developments concerning [Cryptocurrency in 401\(k\) Retirement Plans](#).

Of notable importance to ERISA plan fiduciaries, the Department of Labor expressed its concerns on March 10, 2022 about plan fiduciaries' decisions to allow 401k plan participants to invest in cryptocurrencies in Compliance Assistance Release 2022-01. These concerns included the potentially speculative nature of cryptocurrency investments, the difficulties individuals might have in evaluating whether, or how much, to include in their investment portfolios, recordkeeping challenges, valuation concerns, and the regulatory environment. Whether cryptocurrency can be a viable retirement plan investment option remains to be seen.

An appropriate regulatory framework for digital assets in general is being more broadly debated on Capitol Hill. In the March 9, 2022 Executive Order on Ensuring Responsible Development of Digital Assets, President Biden acknowledged that "The United States has an interest in responsible financial innovation, expanding access to safe and affordable financial services, and reducing the cost of domestic and cross-border funds transfers and payments, including through the continued modernization of public payment systems. We must take strong steps to reduce the risks that digital assets could pose to consumers, investors, and business protections; financial stability and financial system integrity; combating and preventing crime and illicit finance; national security; the ability to exercise human rights; financial inclusion and equity; and climate change and pollution". On June 7, 2022, the Lummis-Gillibrand Responsible Financial Innovation Act (S. 4356) was introduced. As legislation develops, there will be more to come on this topic.

With advancements in technology, and increasingly more business transacted globally online, a transition to a future of virtual money and digital assets is being seriously analyzed. For those considering cryptocurrency in the workplace currently, see the recording of our June 28, 2022 program ["Cryptocurrency in Employee Benefits and Executive Compensation: Let's Discuss!"](#)

The time is now to get acquainted with these issues and prepared for the future of money.

The United States has an interest in responsible financial innovation, expanding access to [safe and affordable financial services](#), and reducing the cost of domestic and cross-border funds transfers and payments, including through the continued modernization of public payment systems. We must take strong steps to reduce the risks that digital assets could pose to consumers, investors, and business protections; financial stability and financial system integrity; combating and preventing crime and illicit finance; national security; the ability to exercise human rights; financial inclusion and equity; and climate change and pollution.

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