

## President Trump Issues Executive Order on Crypto as SEC Signals Enforcement Shift

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On January 23, 2025, President Trump issued an [executive order](#) entitled “Strengthening American Leadership in Digital Financial Technology,” establishing his Administration’s policy “to support the responsible growth and use of digital assets, blockchain technology, and related technologies across all sectors of the economy” (the “EO”).

The EO sets out five high-level policy objectives:

1. protecting the lawful use of blockchain networks, participation in mining and validation, and self-custody of digital assets without unlawful censorship;
2. promoting dollar-backed stablecoins;
3. ensuring fair and open access to banking services;
4. providing “regulatory clarity” for digital assets based on “well-defined jurisdictional regulatory boundaries;” and
5. prohibiting Central Bank Digital Currencies (“CBDC”).

As an initial matter, the EO rescinds [Executive Order 14067](#) issued by President Biden on March 9, 2022, which, among other things, placed “the highest urgency on research and development efforts into the potential design and deployment options of a United States CBDC.” The EO also rescinds the Department of the Treasury’s “Framework for International Engagement on Digital Assets,” issued on July 7, 2022. A [press release](#) regarding the framework stated that it set forth steps for international cooperation on digital assets while respecting core U.S. democratic values, protecting consumers, ensuring interoperability, and preserving the safety and soundness of the global financial system. A [White House statement](#) accompanying the EO asserts the framework “suppressed innovation and undermined U.S. economic liberty and global leadership in digital finance.”

In terms of affirmative directives, the EO accomplishes the following:

- Establishes a Working Group on Digital Asset Markets to be chaired by a Special Advisor for AI and Crypto and include the Chairman of the Securities and Exchange Commission, the Chairman of the Commodity Futures Trading Commission, the Attorney General, and the Secretary of the Treasury, among seven other top officials.
- Directs the Working Group to (1) identify regulations, guidance documents, and orders

- pertaining to the digital asset industry within 30 days, (2) submit recommendations regarding rescission, modification, or regulatory adoption of those items within 60 days, and (3) submit a report to President Trump recommending regulatory and legislative proposals to (a) establish a Federal framework for the issuance and operation of digital assets, including stablecoins, and (b) evaluate the potential creation and maintenance of a national digital asset stockpile.
- Prohibits development of CBDCs, which the EO states “threaten the stability of the financial system, individual privacy, and the sovereignty of the United States,” underscoring that “any ongoing plans or initiatives at any agency related to the creation of a CBDC within the jurisdiction of the United States shall be immediately terminated, and no further actions may be taken to develop or implement such plans or initiatives.”

The accompanying White House statement highlights several key objectives of the Trump Administration in this space, including making “the United States the center of digital financial technology innovation by halting aggressive enforcement actions and regulatory overreach that have stifled crypto innovation under previous administrations,” and ensuring that “regulatory frameworks are clear” and the “growth of digital financial technology in America . . . remain[s] unhindered by restrictive regulations or unnecessary government interference.”

Also on January 23, 2025, the [Securities and Exchange Commission](#) (“SEC”) [rescinded accounting guidance](#) issued in 2022 entitled “Accounting for Obligations to Safeguard Crypto-Assets an Entity Holds for its Platform Users.” The guidance called upon certain regulated entities custodial digital assets on behalf of others to account for them as liabilities “to reflect [their] obligation to safeguard the crypto-assets held for [their] platform users.”

Two days earlier, the Commission issued a [press release](#) announcing that Acting SEC Chairman, Mark Uyeda, had launched a crypto task force “dedicated to developing a comprehensive and clear regulatory framework for crypto assets.” The press release stated that, “[t]o date, the SEC has relied primarily on enforcement actions to regulate crypto retroactively and reactively, often adopting novel and untested legal interpretations along the way. Clarity regarding who must register, and practical solutions for those seeking to register, have been elusive. The result has been confusion about what is legal, which creates an environment hostile to innovation and conducive to fraud.” It added that the task force’s focus will be to “help the Commission draw clear regulatory lines, provide realistic paths to registration, craft sensible disclosure frameworks, and deploy enforcement resources judiciously.”

These executive actions exhibit a shift from the prior Administration consistent with President Trump’s promise at the Bitcoin 2024 conference to make the U.S. the “crypto capital of the planet.” While it remains to be seen whether this will be pursued through shifts in enforcement prerogatives, rulemaking, or legislation, it appears that the crypto industry can expect a more amenable U.S. regulatory environment moving forward.

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National Law Review, Volume XV, Number 27

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