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New Biden Executive Order on Digital Assets



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President Biden [issued](#) an executive order (“EO”) yesterday on “Ensuring Responsible Development of Digital Assets.” The EO calls for an aligned, all-of-government approach to digital assets, which the EO defines to include, among other things, cryptocurrencies, stablecoins, central bank digital currencies (“CBDCs”), and other representations of value or financial instruments that may be a security, commodity, derivative, or other financial product.

Until now, U.S. government agencies have taken a variety of approaches to digital assets, ranging from watching and waiting to aggressive enforcement of existing regulations designed for traditional finance. This EO is notable because it directs the full gamut of U.S. federal agencies to identify and study opportunities, risks, and potential risk mitigants associated with digital assets, and to propose action plans, regulations, and legislation accordingly.

Recognizing the enormous growth of digital asset offerings and adoption in recent years, a key theme in the EO is that the United States should take strong steps now to maintain its leadership in the global financial system. The EO calls upon agencies to explore and harness the potential benefits that digital assets may offer – for example, in terms of cheaper, faster, and safer funds transfers – while ensuring that the US maintains the economic and national security benefits it derives from the central role of the U.S. dollar in global finance.

The EO calls upon U.S. government agencies to work through defined interagency processes to prepare a variety of detailed reports to the President. The mandated reports fall under six key topics: consumer protection, financial stability, illicit activity, U.S. competitiveness, financial inclusion, and responsible innovation. With report deadlines ranging from 90 days to one year, the next 12 months will see an unprecedented level of U.S. government engagement on digital assets.
