

Crypto Capital of the Planet, but Without CBDCs

February 6, 2025



By Mercedes Kelley Tunstall
Partner | Financial Regulation

On January 23, President Trump issued an [Executive Order](#) and accompanying [Fact Sheet](#) intending to promote “United States leadership in digital assets and financial technology while protecting economic liberty.” Entitled “Strengthening American Leadership in Digital Financial Technology,” the Executive Order states that the Administration will “support the responsible growth and use of digital assets, blockchain technology, and related technologies across all sectors of the economy” through a variety of means, including by allowing the development of “dollar-backed stablecoins worldwide” and “providing regulatory clarity and certainty [that will support] a vibrant and inclusive digital economy,” while also prohibiting the “establishment, issuance, circulation, and use of a [central bank digital currency (CBDC)] within the jurisdiction of the United States.”

The Executive Order went on to revoke the Biden-era Executive Order on digital assets, as well as Treasury’s “Framework for International Engagement on Digital Assets” and then to establish a working group on digital assets chaired by a Special Advisor for AI and Crypto. Meanwhile, the Treasury, Securities & Exchange Commission (“SEC”) and Commodity Futures Trading Commission (“CFTC”) were directed to identify all regulations, guidance documents, orders and other items affecting the digital asset sector within 30 days and by 60 days, all such items are to be rescinded, modified or adopted.

Finally, while clearly villainizing CBDCs, the Executive Order nevertheless directs the working group to study creating and maintaining “a national digital asset stockpile and propose criteria for establishing such a stockpile.” So, on the one hand, at the moment, it seems that nothing could be worse than the Federal government issuing its own digital currency, but on the other hand, the Federal government should investigate manipulating the digital asset marketplace by stockpiling digital assets issued by others. Certain factions within the Republican party have long opposed CBDCs, as evidenced by laws passed in Florida and North Carolina attempting to restrict the acceptance of retail CBDCs within the state. Of course, almost any abuses that a CBDC could cause could also be caused by the Federal government monopolizing and managing the distribution of a stablecoin, so we will see how long this White House actually continues hating CBDCs.