President Biden's Executive Order Addressing Digital Assets and Technologies

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President Biden issued an Executive Order (the "Order") earlier outlining the administration's approach to addressing the risks and potential benefits of digital asset technology. The Order outlines a national policy with six key priorities: consumer and investor protection; financial stability; illicit finance; U.S. leadership in the global financial system and economic competitiveness; financial inclusion; and responsible innovation. The Order focuses primarily on protecting stability and mitigating risk while giving a nod to the potential benefits of a new technology. Ambitious in scope, the Order calls for action by approximately 20 federal departments and agencies to research and propose policy direction within their respective jurisdictions in the next 180 to 210 days.

Particularly, the Order announces measures to:

- **Protect U.S. Consumers, Investors and Businesses** by directing the Department of Treasury, in consultation with other agencies, to assess and recommend policy solutions that address the financial risks and implications related to digital assets. The Order calls for the regulation and oversight to address financial risks posed by the digital assets, exchanges, and trading platforms.
- **Protect U.S. and Global Financial Stability** by calling on the Financial Stability Oversight Council and the Treasury Secretary to identify and assess the financial stability risks posed by digital assets and report policy recommendations to address gaps in regulation.
- **Mitigate Illicit Finance** by ordering the Treasury, in conjunction with the Secretary of State and the heads of other relevant agencies, to develop a coordinated action plan focused on mitigating the identified illicit finance and national security risks

- **Promote U.S. Leadership in Technology and Economic Competitiveness** by ordering the Treasury and Department of Commerce to develop a framework to establish the U.S. as a competitor and leader in digital assets and their rapidly advancing technologies. This framework is to provide principles and standards for how digital assets are valued and transacted and will be used to promote development of digital asset technologies.
- **Promote Financial Equity and Inclusion** by charging the Treasury to develop policy recommendations that address the implications that digital assets have on economic growth, financial inclusion, and equitable access to financial services.

The Order also outlines the Biden administration's urgent focus on the research and development of a U.S. central bank digital currency (CBDC). The Order encourages the government to assess the technological infrastructure and capacity requirements for the potential implementation of a U.S. CBDC, in the event it is deemed to be in the national interest.

We await further updates on the action taken by the named agencies in response to President Biden's Executive Order on digital asset technology and a U.S. CBDC. If you have questions regarding the regulations at hand or how the policies contemplated by the Order may affect your business or brand, please contact John Wagster or Courtney Rogers Perrin of Frost Brown Todd's Blockchain team.

Christine Hale contributed to this article during her time as an associate at Frost Brown Todd. Sadly, Christine passed away in April 2022, cutting short what would have been a very successful career as an attorney. Christine was a valued member of our business litigation practice and a graduate of Vanderbilt University School of Law, where she was the political science chair of the Black Law Students Association.