



Bitcoin Surges As White House Unveils Crypto Executive Order

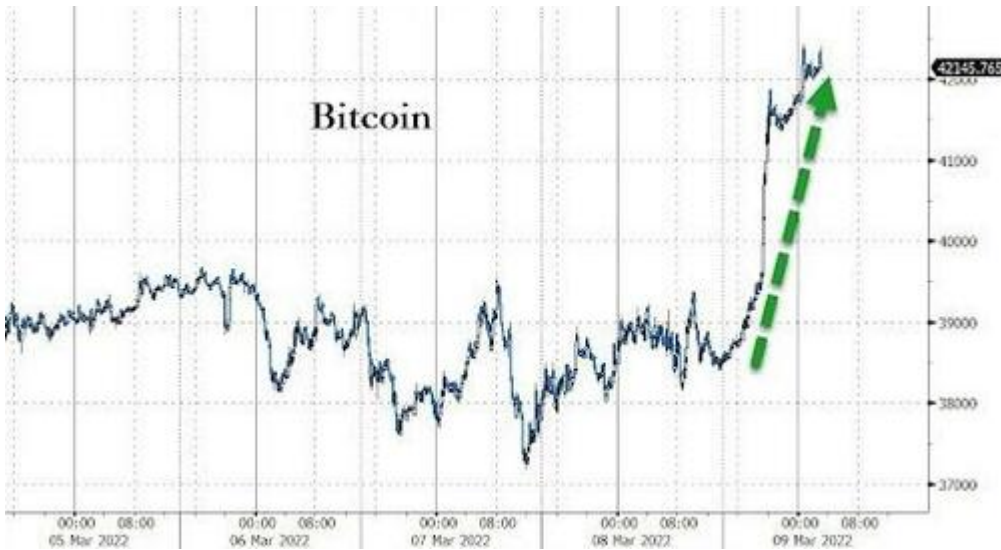
Description

USA: Finally, after months of pressure from entrepreneurs and venture capitalists, the White House is taking a leading role in developing US crypto regulation. Optimism surrounding the actual statement – which was released this morning – was parked last night when **Treasury Secretary Janet Yellen appeared to accidentally praise the new executive order... before it was released** (then hastily deleted her statement).

Looks like Yellen's comments on tomorrow's Executive Order were accidentally posted a day early (now removed). <https://t.co/k9jZJcPhS4> got them, though – <https://t.co/EtOq1eNHRI>

— Matt Corallo (@TheBlueMatt) [March 9, 2022](#)

The lack of anything existentially challenging in her statement helped send bitcoin prices north of \$42K, levels it hasn't seen since March 2, and since The White House's statement, prices have remained high.



The order will be signed by President Biden later on Wednesday **mandating government agencies to take a closer look at issues related to digital currencies and also related to combating illicit uses of cryptocurrencies.**

In [a fact sheet](#), the goal is to take advantage of the potential benefits of digital assets while also addressing the risks, the White House said in a fact sheet. Agencies will have from 60 to 180 days to complete their reports, a senior administration official said late Tuesday, after which the administration plans to move quickly to carry out the recommendations.

Specifically, the Executive Order calls for measures to:

- Protect U.S. Consumers, Investors, and Businesses by directing the Department of the Treasury and other agency partners to assess and develop policy recommendations to address the implications of the growing digital asset sector and changes in financial markets for consumers, investors, businesses, and equitable economic growth. The Order also encourages regulators to ensure sufficient oversight and safeguard against any systemic financial risks posed by digital assets.
- Protect U.S. and Global Financial Stability and Mitigate Systemic Risk by encouraging the Financial Stability Oversight Council to identify and mitigate economy-wide (i.e., systemic) financial risks posed by digital assets and to develop appropriate policy recommendations to address any regulatory gaps.
- Mitigate the Illicit Finance and National Security Risks Posed by the Illicit Use of Digital Assets by directing an unprecedented focus of coordinated action across all relevant U.S. Government agencies to mitigate these risks. It also directs agencies to work with our allies and partners to ensure international frameworks, capabilities, and partnerships are aligned and responsive to risks.
- Promote U.S. Leadership in Technology and Economic Competitiveness to Reinforce U.S. Leadership in the Global Financial System by directing the Department of Commerce to work across the U.S. Government in establishing a framework to drive U.S. competitiveness and leadership in, and leveraging of digital asset technologies. This framework will serve as a foundation for agencies and integrate this as a priority into their policy, research and development, and operational approaches to digital assets.

- Promote Equitable Access to Safe and Affordable Financial Services by affirming the critical need for safe, affordable, and accessible financial services as a U.S. national interest that must inform our approach to digital asset innovation, including disparate impact risk. Such safe access is especially important for communities that have long had insufficient access to financial services. The Secretary of the Treasury, working with all relevant agencies, will produce a report on the future of money and payment systems, to include implications for economic growth, financial growth and inclusion, national security, and the extent to which technological innovation may influence that future.
- Support Technological Advances and Ensure Responsible Development and Use of Digital Assets by directing the U.S. Government to take concrete steps to study and support technological advances in the responsible development, design, and implementation of digital asset systems while prioritizing privacy, security, combating illicit exploitation, and reducing negative climate impacts.
- Explore a U.S. Central Bank Digital Currency (CBDC) by placing urgency on research and development of a potential United States CBDC, should issuance be deemed in the national interest. The Order directs the U.S. Government to assess the technological infrastructure and capacity needs for a potential U.S. CBDC in a manner that protects Americans' interests. The Order also encourages the Federal Reserve to continue its research, development, and assessment efforts for a U.S. CBDC, including development of a plan for broader U.S. Government action in support of their work. This effort prioritizes U.S. participation in multi-country experimentation, and ensures U.S. leadership internationally to promote CBDC development that is consistent with U.S. priorities and democratic values.

According to the Treasury, crypto is a larger than \$3 trillion market, which some 40M Americans have already invested in.

Among other aspects of the new EO, the Administration is **prepared to look at how crypto is used to get around western sanctions**. It also comes as a growing number of central banks are already issuing their own “digital” currencies.

Treasury Secretary Janet Yellen (pre-emptively) praised Biden's efforts in a statement:

As we take on this important work, we'll be guided by consumer and investor protection groups, market participants, and other leading experts,” Yellen said.

“Treasury will work to promote a fairer, more inclusive, and more efficient financial system, while building on our ongoing work to counter illicit finance, and prevent risks to financial stability and national security.”

The new policy will place the White House right at the center of crypto policymaking. Additionally, the Treasury will partner with other agencies to compile a report on the future of money and payment systems, and **will also convene the Financial Stability Oversight Council to examine potential risks to financial stability and assess whether necessary safeguards are in place**. It will also work with international partners “to promote robust standards and a level playing field.”

Of course, this won't be the first report on crypto commissioned by a US government agencies.

However, the order claims that it **will attempt to preserve the benefits of bitcoin** while also

addressing concerns surrounding KYC and money laundering.

[Cointelegraph notes](#) that **there has been a mixed reaction so far from prominent members of the crypto community.** Founder of Week In Ethereum Evan Van Ness called the statement a “nothingburger of a statement.”

But Altered State Machine (ASM) founder Aaron McDonald shared somewhat more grave feelings about the statement. He [tweeted](#) that Yellen’s sentiments show she is looking for a way to “Make sure we maintain the most powerful weapon in our military. USD as global settlement.”

[deVere Group’s Nigel Green](#) summarized the EO in an optimistic light, suggesting there are **three key takeaways.**

“First, digital currencies are an inevitability in the ever more digital world that we live in. When tech is driving the way we live, work, do business and much more besides, it makes sense to have money that runs on tech too.

“Also, it must be remembered that millennials – who are set to be the beneficiaries of the largest ever generational transfer of wealth [according to some estimates US\$60 trillion] – have been raised on technology, they’re digital natives. As such, the future of money is also, without doubt, going to be digital.

“For this reason, around 90% of governments around the world, representing 90% of global GDP, are actively pursuing their own central bank digital currencies (CBDCs).”

He goes on to add:

“China might have been the first large, industrialized nation to launch a CBDC with the digital yuan, but it will not be the last. Far from it.

“Indeed, the U.S. now appears to be playing ‘catch up’.”

Green continues:

“Second, the U.S. government will not be moving to ban cryptocurrencies in the world’s largest economy.

“In fact, the executive order is calling for a ‘coordinated and comprehensive approach to digital asset policy,’ and in leaked documents it seems to already being championed by Janet Yellen, the U.S. Treasury Secretary.

“And third, a digital dollar would underscore why the world will still want cryptocurrencies, such as Bitcoin.

“The Federal Reserve’s potential new currency would have many advantages, including convenience and speed of payments, but what it would not have is privacy. Indeed, a digital

dollar would serve to give U.S. authorities even greater oversight of citizens' transactions.

"The government would be able to trace all transactions. Washington would have even more powers to track and control."

Bitcoin and cryptocurrencies – still digital money – are fundamentally different as they run on an open, immutable blockchain, or distributed ledger. This, says Nigel Green, would give them the upper hand.

"Not only are they a store of value and medium of exchange but they have other inherent core values, namely being a viable decentralized, tamper-proof, unconfiscatable monetary system. And this has intrinsic value for investors around the world."

He concludes:

"History will judge Biden signing this executive order to instruct departments across Washington to study digital currencies as a landmark moment."

Finally, many have noted Yellen's apparent shift away from crypto-hater with her statement saying that the executive order **could "result in substantial benefits for the nation, consumers, and businesses."**

BY TYLER DURDEN

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