



President Biden to Sign Crypto Executive Order This Week

Description

USA: President Joe Biden is gearing up to sign a much-anticipated executive order on cryptocurrencies later this week, *Reuters* [reports](#), paving the way for a wave of detailed studies on the future of digital currencies.

Biden is expected to direct multiple agencies to study the viability and risks of a U.S. central bank digital currency (CBDC), which might require congressional approval. China has already begun [piloting](#) its own CBDC, the digital yuan, which logged \$14 billion in digital transactions at the end of last year.

“We could see a significant shift in policy in 180 days. This is a likely step toward creation of a central bank digital currency,” an anonymous source told *Reuters*.

In 2021, Janet Yellen, U.S. Treasury Secretary, sounded the alarm about an “explosion of risk” from virtual currencies, which could potentially be exploited by bad actors. Despite saying she is undecided on CBDCs, Yellen has previously supported research into CBDCs and [highlighted](#) the financial inclusion offered by a digital dollar.

“Too many Americans don’t have access to easy payments systems and banking accounts, and I think this is something that a digital dollar, a central bank digital currency, could help with,” she said last year. “It could result in faster, safer and cheaper payments, which I think are important goals.”

Earlier this year, the Fed also outlined the benefits and risks of CBDCs in a [discussion paper](#), pointing out that they could speed up payments, but raise the price of credit. “A widely available CBDC would serve as a close — or, in the case of an interest-bearing CBDC, near-perfect — substitute for commercial bank money,” the Fed said.

Others are more circumspect about the level of financial surveillance enabled by a CBDC, especially in the hands of more authoritarian countries. This past January, Wyoming Senator Cynthia Lummis, a Republican who has called cryptocurrency “freedom money,” said that China’s pilot project with the electronic yuan allowed “the Communist Party of China to surveil the uses of its central bank digital currency.”

By Sabrina Toppa

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