

Biden to sign crypto order as firms face sanctions pressure

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President Joe Biden is set to sign an executive order this week that will outline the U.S. government's strategy for cryptocurrencies, according to people familiar with the administration's plans.

The order will direct federal agencies to examine potential regulatory changes, as well as the national security and economic impact of digital assets, said the people, who asked not to be named discussing the deliberations. The White House's approach to [crypto](#) has attracted fresh attention in recent weeks after the U.S. and its allies levied sanctions on Russia, prompting concerns that organizations and individuals could use crypto to evade the restrictions.

The White House declined to comment.

The Biden administration is under pressure to play more of a coordinating role in Washington's approach to the asset class, as industry executives bemoan what they say is a lack of clarity on rules. The executive order, which has been in the works since last year, will require federal agencies across the government to report later this year what they're doing regarding digital tokens, Bloomberg News has reported. The plan is expected to begin carving out roles for agencies across the government, from the State Department to the Commerce Department.

The White House's directive is also expected to address the possibility of a U.S.-issued central bank digital currency, or CBDC, though it'll likely hold off on taking a firm position because the Federal Reserve is still studying the issue. The central bank, in a paper released in January, said a U.S. CBDC could help preserve the dollar's dominance, as other countries, like China, embrace the technology.

Meanwhile, the crypto industry is facing intense scrutiny from lawmakers, including Senator Elizabeth Warren and Senate Banking Committee Chairman Sherrod Brown, over concerns the digital assets can be used to bypass sanctions. However, some analysts and officials have questioned how effective a workaround crypto could be, given the limited size of the market.

Him Das, acting director of Treasury's Financial Crimes Enforcement Network, addressed the issue on Monday. "Although we have not seen widespread evasion of our sanctions using methods such as cryptocurrency, prompt reporting of suspicious activity contributes to our national security and our efforts to support Ukraine and its people," he said in a news release.

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