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# *President Trump Signs Executive Order to Strengthen American Leadership in Digital Financial Technology*

FEBRUARY 10, 2025

On January 23, 2025, President Donald Trump signed an executive order laying out his new administration's vision on digital assets (the Order). The Order reflects Trump's oft-repeated commitment to make the United States the "world capital" of crypto.<sup>1</sup>

Titled "Strengthening American Leadership in Digital Financial Technology," the Order promises to "promote United States leadership in digital assets and financial technology, while protecting economic liberty."<sup>2</sup> It also seeks to "establish regulatory clarity for digital financial technology," "secure America's position as the world's leader in the digital asset economy," and drive "innovation and economic opportunity for all Americans."<sup>3</sup>

Section I of this client alert reviews the Order's key provisions. Section II then provides digital asset industry participants with guidance on potential areas of interface with the new Trump Administration in connection with the initiatives in the Order.

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<sup>1</sup> The White House, *Remarks by President Trump at the World Economic Forum* (Jan. 23, 2025), <https://www.whitehouse.gov/remarks/2025/01/remarks-by-president-trump-at-the-world-economic-forum/>. During the 2024 presidential campaign, then-candidate Trump promised to make the United States the "crypto capital of the planet." Kimberlee Kruesi, *Trump calls for US to be 'crypto capital of the planet' in appeal to Nashville bitcoin conference*, ASSOCIATED PRESS (Jul. 27, 2024), <https://apnews.com/article/donald-trump-bitcoin-cryptocurrency-stockpile-6f1314f5e99bbf47cc3ee6fc6178588d>.

<sup>2</sup> The White House, *Strengthening American Leadership in Digital Financial Technology* (Jan. 23, 2025) ("Order"), <https://www.whitehouse.gov/presidential-actions/2025/01/strengthening-american-leadership-in-digital-financial-technology/?source=email>. In the Order, "digital asset" is defined as "any digital representation of value that is recorded on a distributed ledger, including cryptocurrencies, digital tokens, and stablecoins." Order at § 2.a.

<sup>3</sup> The White House, *Fact Sheet: Executive Order to Establish United State Leadership in Digital Financial Technology* (Jan. 23, 2025) ("Fact Sheet"), <https://www.whitehouse.gov/fact-sheets/2025/01/fact-sheet-executive-order-to-establish-united-states-leadership-in-digital-financial-technology/>.

## *I. The Order*

The Order begins by stating that it is the official policy of the Trump Administration to “support the responsible growth and use of digital assets, blockchain technology, and related technologies across all sectors of the economy.” The Order then lays out five objectives to achieve this broader goal:<sup>4</sup>

1. Protect the ability of people to access and use open public blockchain networks “without persecution,” including developing and deploying software, mining and validating, transacting “without unlawful censorship,” and maintaining the self-custody of digital assets.
2. Protect the sovereignty of the US dollar by promoting the development of dollar-backed stablecoins “worldwide.”
3. Protect “fair and open access” to banking services.
4. Provide regulatory clarity through “technology-neutral regulations,” frameworks for emerging technologies, “transparent decision making” and “well-defined jurisdictional boundaries.”
5. Prohibit the issuance and use of central bank digital currencies (CBDCs), which “threaten the stability of the financial system, individual privacy, and the sovereignty of the United States.”

To achieve these aims, the Order revoked two Biden Administration initiatives: President Joe Biden’s [Executive Order 14067](#) (“Ensuring Responsible Development of Digital Assets”) and the Department of the Treasury’s (Treasury) [Framework for International Engagement on Digital Assets](#),<sup>5</sup> which, according to the Trump Administration, “suppressed innovation and undermined U.S. economic liberty and global leadership in digital finance.”<sup>6</sup> The Order also rescinds—or directs the Treasury Secretary to rescind—all policies, directives and guidance issued pursuant to both Biden Administration initiatives.<sup>7</sup>

In addition to revoking or rescinding Biden-era digital asset policy instruments, the Order also contains two important provisions that signal the direction the Trump Administration will take, each of which is described below.

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<sup>4</sup> Order at § 1.

<sup>5</sup> Order at § 3.a-b.

<sup>6</sup> Fact Sheet.

<sup>7</sup> Order at § 3.c.

## *A. Establishing the President’s Working Group on Digital Asset Markets*

*First*, the Order establishes the President’s Working Group on Digital Asset Markets (Working Group) within the National Economic Council in order to “strengthen U.S. leadership in digital finance.”<sup>8</sup> The Order appoints the President’s Special Advisor for AI and Crypto (Crypto Czar), currently venture capitalist David Sacks,<sup>9</sup> as chair of the Working Group.<sup>10</sup> Key members of the Working Group include the Treasury Secretary, Attorney General, Secretary of Commerce, Secretary of Homeland Security, Chair of the Securities and Exchange Commission, and Chair of the Commodity Futures Trading Commission, along with several White House officials.<sup>11</sup> Federal banking agencies, including the Federal Reserve, Office of the Comptroller of the Currency (OCC) and Federal Deposit Insurance Corporation, are not expressly identified as Working Group members, although the Working Group chair is empowered to invite the heads of other department and agencies to attend Working Group meetings (and OCC may be included since it is a bureau of Treasury).<sup>12</sup>

### **1. Regulatory Sweep**

Within 30 days of the date of the Order, the Working Group members are instructed to identify all existing regulations, guidance documents, orders and “other items that affect the digital asset sector.”<sup>13</sup> Within 60 days of the date of the Order, members must submit to the Working Group chair recommendations as to whether existing regulations, guidance and orders should be rescinded or modified, or, for other items, adopted in a regulation.<sup>14</sup>

### **2. Report to the President**

Within 180 days of the date of the Order, the Working Group is instructed to submit a report to the President recommending regulatory and legislative proposals advancing the policies established in the Order, including (1) proposals for a federal regulatory framework governing the issuance and operation of stablecoins and other digital assets, and (2) an evaluation of the potential creation of a

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<sup>8</sup> Order at § 4; Fact Sheet.

<sup>9</sup> Theodore Schleifer, *Trump Names Top Silicon Valley Conservative to Oversee Crypto and A.I.*, NEW YORK TIMES (Dec. 5, 2024), <https://www.nytimes.com/2024/12/05/us/politics/david-sacks-crypto-ai-trump.html>.

<sup>10</sup> Order at § 4.

<sup>11</sup> Order at § 4.

<sup>12</sup> Order at § 4.a.xii.

<sup>13</sup> Order at § 4.b.

<sup>14</sup> Order at § 4.b.

“national digital asset stockpile.”<sup>15</sup> The Working Group is instructed to propose criteria for establishing the stockpile, which could be “potentially derived” from crypto lawfully seized by federal law enforcement,<sup>16</sup> which, according to some estimates, already totals more than \$21 billion.<sup>17</sup>

The “national digital asset stockpile” contemplated by the Order appears similar to the “strategic Bitcoin reserve” initially mentioned by then-candidate Trump in widely publicized remarks at the Bitcoin Conference during the 2024 presidential campaign.<sup>18</sup> However, the Order appears to expand this initial vision, as it contemplates that the reserve would hold “digital assets,” not solely Bitcoin. Shortly after the speech at the Bitcoin Conference, Senator Cynthia Lummis (R-WY) introduced legislation for a strategic Bitcoin reserve that would receive existing US Bitcoin holdings, require the US government to buy one million Bitcoin over five years and hold that Bitcoin in trust for at least 20 years.<sup>19</sup> It remains to be seen whether the Working Group will seek to revive this legislation.

### **3. Public Hearings**

The Order instructs the Working Group to hold public hearings and “receive individual expertise” from leaders in digital assets and digital markets.<sup>20</sup> The President’s Crypto Czar will also engage leading experts to ensure that the actions of the Working Group are informed by “expertise beyond the Federal Government.”<sup>21</sup>

## *B. Prohibiting Central Bank Digital Currencies*

*Second*, the Order prohibits agencies from establishing, issuing or promoting CBDCs within the jurisdiction of the United States or abroad.<sup>22</sup> The Order also terminates any ongoing plans or initiatives at any agency related to the creation of a CBDC within the jurisdiction of the United States.<sup>23</sup>

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<sup>15</sup> Order at § 4.c.

<sup>16</sup> Order at § 4.c.ii.

<sup>17</sup> Arkham, U.S. Government digital asset holdings (as of Jan. 26, 2025), <https://intel.arkm.com/explorer/entity/usg>.

<sup>18</sup> Chris Cameron, *Trump, Appealing to Bitcoin Fans, Vows U.S. Will Be ‘Crypto Capital of the Planet,’* NEW YORK TIMES (Jul. 27, 2024), <https://www.nytimes.com/2024/07/27/us/politics/trump-bitcoin-crypto.html>.

<sup>19</sup> 118th Cong., S.4912, *BITCOIN Act of 2024*, <https://www.congress.gov/bill/118th-congress/senate-bill/4912>.

<sup>20</sup> Order at § 4.e.

<sup>21</sup> Fact Sheet.

<sup>22</sup> Order at § 5.a.

<sup>23</sup> Order at § 5.b.

## II. Guidance for the Digital Asset Industry

As outlined above, the notable affirmative provisions of the Order are the establishment of the Working Group and the prohibition on CBDCs.

Empowered by the Order's objective to establish "regulatory clarity for digital financial technology," the Working Group represents a significant opportunity for the digital asset industry to engage with the Trump Administration to ensure that their views and positions are considered by Working Group members. Whether through participating in the Working Group's public hearings or in consultations—formal or informal—with the President's Crypto Czar and Working Group chair, digital asset industry participants should look to leverage these and other opportunities to inform the Trump Administration's proposals for a federal regulatory framework governing stablecoins and other digital assets.

Stablecoins appear to be a specific area of initial focus for the Working Group, not just as a subject of regulation but also as a means of promoting and protecting the role of the US dollar internationally.<sup>24</sup> Digital asset industry participants—both in and outside the stablecoin space—have an opportunity to offer input on an emerging legal framework around the issuance and regulation of stablecoins.

Just last week, Crypto Czar and Working Group Chair David Sacks hosted a press conference with key lawmakers in the Senate, including Senate Banking Committee Chair Tim Scott (R-SC) and House Financial Services Committee Chair French Hill (R-IN). During the press conference, Sacks pointed to the Order and reiterated the Working Group's goal of proposing a federal regulatory framework to govern "the issuance and operation digital assets, including stablecoins, in the United States."<sup>25</sup> Lawmakers, meanwhile, introduced bipartisan stablecoin legislation in the Senate. Titled the Guiding and Establishing National Innovation in U.S. Stablecoins (or GENIUS) Act, the legislation provides a definition of payment stablecoins; establishes licensing procedures for stablecoin issuers; implements reserve requirements and regulatory standards; and creates a supervisory, examination and enforcement regime.<sup>26</sup> Lawmakers also announced a bipartisan and

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<sup>24</sup> See Order at § 1.a.ii.

<sup>25</sup> Frank Corva, *President Trump's Crypto Czar Hosts U.S.'s First Press Conference On Bitcoin And Digital Assets*, BITCOIN MAGAZINE (Feb. 4, 2025), <https://bitcoinmagazine.com/politics/president-trumps-crypto-czar-hosts-first-press-conference-on-bitcoin-and-digital-assets>.

<sup>26</sup> Office of Senator Bill Hagerty, *Hagerty Leads Legislation to Establish a Stablecoin Regulatory Framework*, Press Release (Feb. 4, 2025), <https://www.hagerty.senate.gov/press-releases/2025/02/04/hagerty-leads-legislation-to-establish-a-stablecoin-regulatory-framework/>. A similar bill was released—but not formally introduced—in the US House of Representatives. See House Committee on Financial Services, *Hill and Steil Release Discussion Draft for Stablecoins* (Feb. 6, 2025), <https://financialservices.house.gov/news/documentsingle.aspx?DocumentID=409458>.

bicameral working group to drive the legislation forward—yet another forum for digital asset industry participants to make their voices heard.<sup>27</sup>

The prohibition on CBDCs is also noteworthy. Preventing federal agencies from “any action” to establish, issue or promote CBDCs in or outside the United States removes a potential public sector competitor from the digital asset industry.<sup>28</sup> However, it is important to note that the Federal Reserve, which has previously studied whether to pursue or implement a CBDC,<sup>29</sup> is not, as an independent agency, subject to executive orders issued by the White House.

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As the Order is implemented over the coming weeks and months, WilmerHale can help digital asset industry participants navigate the Trump Administration’s development of a federal regulatory framework governing stablecoins and other digital assets. WilmerHale’s [Blockchain and Cryptocurrency Working Group](#) and [Public Policy and Legislative Affairs Practice](#), alongside a newly formed [Administrative Law Transition Task Force](#), are ready to assist participants with all of their regulatory and advocacy needs. The firm will also continue to monitor additional regulatory developments affecting the digital asset industry.

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<sup>27</sup> Sandy Carter, *U.S. Crypto And Digital Assets Top David Sacks’ First Press Conference*, FORBES (Feb. 4, 2025), <https://www.forbes.com/sites/digital-assets/2025/02/04/us-crypto-and-digital-assets-top-david-sacks-first-press-conference/>.

<sup>28</sup> See Order at § 5.a.

<sup>29</sup> Federal Reserve, *Central Bank Digital Currency (CBDC)*, <https://www.federalreserve.gov/central-bank-digital-currency.htm>. In 2024, the US House of Representatives passed a law barring the Federal Reserve from issuing a CBDC, but the legislation died in the Senate. See 118th Cong., H.R. 5403, *CBDC Anti-Surveillance State Act*, <https://www.congress.gov/bill/118th-congress/house-bill/5403>.

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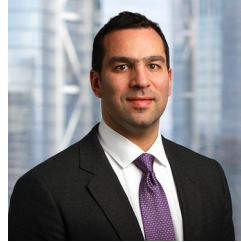
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