

5 Major Crypto Developments From The Trump Admin So Far

By **Helen Gugel, Melissa Bender and Glen Hai Chen** (February 21, 2025, 1:51 PM EST)

In the initial weeks of President Donald Trump's return to office, the administration has introduced several initiatives aimed at reshaping the landscape for digital assets in the U.S. to promote regulatory clarity and innovation. Key developments include:

- An executive order on digital assets, which aims to provide clearer guidelines and foster responsible growth in the crypto industry;
- The creation of an executive branch Working Group on Digital Asset Markets, which will include members across multiple federal agencies;
- The repeal of U.S. Securities and Exchange Commission Staff Accounting Bulletin No. 121, which had imposed restrictive accounting rules on financial institutions handling crypto-assets;
- The creation of a new SEC-led crypto task force, which intends to shift the regulatory approach from enforcement-focused actions to clearer guidelines and industry engagement; and
- The Guiding and Establishing National Innovation for U.S. Stablecoins, or GENIUS, Act, a newly proposed bipartisan stablecoin bill, aimed at establishing clear regulatory standards for payment stablecoins and ensuring financial stability while promoting innovation in the digital assets sector.

This article explores these major regulatory shifts, their legal implications and what they mean for the future of digital assets under the Trump administration.

1. Trump's Executive Order on Digital Assets: A Pro-Crypto Stance

On Jan. 23, Trump signed Executive Order No. 14178 on strengthening American leadership in digital financial technology.

This order marks a significant departure from the previous administration's regulatory approach by revoking Executive Order No. 14067, issued by former President Joe Biden in 2022, which had primarily focused on assessing the risks of digital assets rather than fostering their growth. In contrast, Trump's



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executive order prioritizes integrating cryptocurrency into the broader financial system, emphasizing innovation while addressing regulatory concerns.

A central component of the order is its directive for agencies to provide clear, technology-neutral regulations for digital assets. By ending what has been described as "regulation by enforcement," the administration aims to establish a predictable compliance framework that offers businesses greater certainty.

Additionally, the order expresses support for dollar-backed stablecoins as a means to enhance the U.S. dollar's role in global finance. It also explicitly prohibits the creation or use of a U.S. central bank digital currency, citing concerns over financial surveillance and government overreach.

To ensure that regulations remain adaptable and industry-driven, the order mandates public consultation and engagement with stakeholders, including financial institutions, blockchain developers and consumer protection groups. This collaborative approach is designed to foster innovation while maintaining necessary safeguards for market participants.

2. Working Group on Digital Asset Markets and Policy Direction

The new order also establishes a Working Group on Digital Asset Markets, which will be chaired by David Sacks, the president's AI and crypto czar. Sacks is a longtime supporter of the crypto industry, and is expected to push for a more permissive crypto policy that supports innovation and the growth of the industry in the U.S.

The working group will also include officials from multiple federal agencies, including the secretary of the U.S. Department of the Treasury, the chair of the SEC and the chairman of the U.S. Commodity Futures Trading Commission. The group is charged with providing regulatory clarity, ensuring the domestic value creation of digital assets and working closely with Congress to develop a cohesive legislative strategy. The working group's primary goal is to propose a federal regulatory framework for digital assets, focusing on market structure, oversight, consumer protection and risk management.

The order also requires the working group to evaluate the potential creation of a national digital asset stockpile, including those derived from cryptocurrencies lawfully seized by federal law enforcement. While seen by some as a positive development for integrating crypto into national finance, this also marks a shift from Trump's earlier pledge at a bitcoin conference in July, where he proposed the establishment of a national bitcoin strategic reserve.

To meet these objectives, the executive order sets a strict timeline for the working group, mandating that it reviews all existing regulations and orders across the U.S. government within 30 days, provides recommendations within 60 days, and delivers final policy recommendations within 180 days.

On Feb. 4, approximately two weeks after the issuance of the executive order, Sacks held a press conference to outline the administration's policy direction for blockchain technology and digital assets. Sacks indicated that the administration seeks to move away from the previous regulatory environment's adversarial stance toward digital asset companies.

The administration's approach focuses on establishing clear regulatory guidelines for digital asset issuers and financial institutions, ensuring value creation remains within the U.S. market to facilitate oversight

and investor protection, and encouraging innovation while mitigating risks associated with bad actors in the market.

Several prominent lawmakers at the press conference reinforced the administration's regulatory vision, and announced that a bicameral working group comprising members of the House and Senate Financial Services and Agriculture committees will spearhead efforts to refine the evolving regulatory framework.

3. SEC Rescinds SAB 121, and Senate Hearing on Debanking

In a significant policy shift, the SEC announced on Jan. 23 the repeal of SAB 121, a controversial accounting bulletin issued during the previous administration. SAB 121 had required financial institutions holding crypto-assets for clients to record these assets as liabilities on their balance sheets, a mandate that many critics argued deterred banks from offering crypto custody services due to the associated financial burdens.

The rescission of SAB 121 is expected to have far-reaching implications for the crypto industry. By removing the requirement to classify client-held crypto-assets as liabilities, financial institutions now have greater flexibility to offer custody services without the previously imposed accounting constraints. This change aligns crypto custody practices with those of traditional assets, potentially encouraging more banks and financial institutions to enter the crypto custody market.

The Feb. 5 Senate Banking Committee hearing on debanking and Chokepoint 2.0 will likely be a further catalyst for banks to increase services to crypto firms. The release of internal Federal Deposit Insurance Corp. documents at the hearing confirmed that federal regulators were pressuring banks behind closed doors to sever ties with crypto businesses. Several Senators expressed concern that the FDIC was weaponizing the banking system to enforce ideological preferences without explicit congressional authorization.

4. SEC Crypto Task Force: A New Direction for Regulation

In another major shift, acting SEC Chair Mark Uyeda on Jan. 21 announced the formation of a crypto regulatory task force, led by SEC Commissioner Hester Peirce, a long-time critic of the commission's enforcement-first approach to crypto regulation.

The task force is designed to provide clear regulatory guidelines by issuing formal rules and guidance before taking enforcement action. It will also assess whether existing securities laws adequately cover crypto-assets or if new legislation is necessary.

Furthermore, the task force aims to enhance interagency coordination by collaborating with the CFTC, U.S. Department of Justice and Treasury Department to align enforcement policies and prevent jurisdictional conflicts. Additionally, it seeks to increase industry engagement by conducting public hearings and soliciting input from industry stakeholders.

Although the SEC has not formally announced additional structural changes, more than 50 attorneys and staff from the SEC's cryptocurrency enforcement division are being reassigned, signaling a pivot away from aggressive enforcement-driven policymaking.[1]

Peirce gave a speech on Feb. 4 expanding on the objectives of the crypto task force, emphasizing that it aims to bring regulatory clarity to the crypto industry and contrasting it with the SEC's previous

inconsistent and imprecise approach.[2]

Peirce acknowledged the complexity of the current regulatory environment — shaped by over a decade of engagement with the crypto industry — and the need for a patient, orderly and legally sound approach to untangling ongoing issues. She also underscored a commitment to fostering innovation while protecting investors and maintaining market integrity. The task force will aim to create a regulatory framework that balances these objectives within the statutory authority of the SEC, working in collaboration with other regulators.

She further described that the task force is working on several initiatives, including clarifying the status of crypto-assets under the securities laws, providing temporary relief for certain coin and token offerings, modifying registration paths for token offerings, updating broker-dealer regulations, and addressing custody solutions for investment advisers. The task force also plans to provide clarity on crypto lending and staking programs, work on crypto exchange-traded products, and explore cross-border experimentation.

Notably, Peirce expressly invited public engagement with the task force through written submissions and meetings, emphasizing transparency and open dialogue.

5. The GENIUS Act: Establishing a Regulatory Framework for Stablecoins

As part of the administration's broader approach to digital assets, lawmakers on Feb. 4 **introduced** the GENIUS Act, a bipartisan legislative proposal designed to establish a comprehensive regulatory framework for payment stablecoins.

The legislation defines "payment stablecoins" as digital assets pegged to a fixed monetary value, and introduces clear licensing procedures for their issuance. Only entities classified as "permitted payment stablecoin issuers" — including subsidiaries of insured depository institutions, federally qualified nonbank issuers regulated by the Office of the Comptroller of the Currency and state-qualified issuers operating under equivalent federal standards — are authorized to issue these assets.

To ensure financial stability, the act imposes strict reserve requirements and tailored regulatory oversight. It assigns supervisory responsibilities to different regulatory bodies based on the scale of issuance: The Federal Reserve will oversee issuers managing over \$10 billion in stablecoins, while the OCC will regulate nonbank issuers. State-chartered issuers operating below the \$10 billion threshold may remain under state oversight, though those surpassing this cap can apply for waivers to continue operating under state jurisdiction.

Additionally, the act establishes clear supervisory, examination and enforcement mechanisms to ensure compliance. Importantly, the bill prevents federal agencies from classifying payment stablecoins as securities, and prohibits custodial assets from being recorded as liabilities on financial statements, offering much-needed regulatory clarity for financial institutions.

Looking Ahead: The Future of U.S. Crypto Regulation

The early weeks of the Trump administration have set the stage for a significant transformation in U.S. digital asset policy by prioritizing regulatory clarity, innovation and a shift away from enforcement-heavy tactics. Legislative follow-through remains essential, however: Many of these changes require

congressional support to be fully implemented and, given other legislative priorities, progress may be gradual.

Moreover, as Pierce recently commented in regard to the work ahead for the new crypto task force, "it took us a long time to get into this mess [of legal imprecision and commercial impracticality], and it is going to take us some time to get out of it." Nonetheless, the momentum appears to be moving in a positive direction for the industry to integrate crypto into the broader financial ecosystem while balancing innovation with necessary regulatory safeguards.

Legal professionals, financial institutions and crypto firms should remain engaged with the evolving policy landscape to ensure compliance and leverage opportunities within this new regulatory framework. The coming months will be critical in shaping the long-term outlook for digital assets in the U.S.

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[1] <https://www.nytimes.com/2025/02/04/business/sec-crypto-task-force.html>.

[2] <https://www.sec.gov/newsroom/speeches-statements/peirce-journey-begins-020425>.