

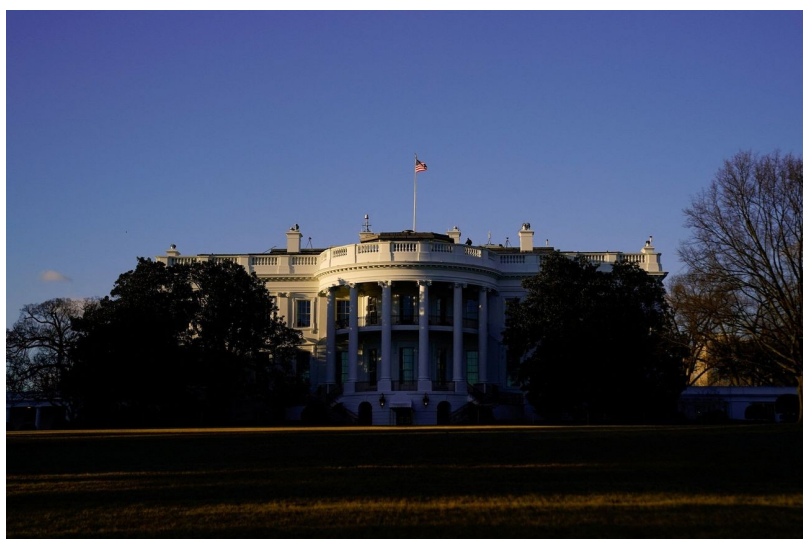
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POLITICS

# Biden Set to Announce Executive Order Reviewing Cryptocurrency

Federal agencies to study the creation of U.S. digital currency and the risks of digital assets



The White House wants a review of the possible risks cryptocurrencies pose to broader financial stability.

PHOTO: ERIN SCOTT/REUTERS

By [Andrew Duehren](#) [Follow](#)

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WASHINGTON—The White House is set to release an executive order this week tasking several federal agencies with conducting a broad review of cryptocurrencies, including studying the creation of a U.S. digital currency, according to a person familiar with the matter.

The executive order, which the White House is expected to reveal in the coming days, will task the Treasury, Commerce, State and Justice departments, among other agencies, with studying elements of the fast-growing cryptocurrency market, the person said. The agencies will have roughly three or six months to conduct a review and prepare a public report with recommendations for the

federal government's approach to digital tokens.

Cryptocurrency is a name given to a broad group of digital assets, including widely held bitcoin and ether, thousands of lesser known coins and so-called stablecoins, digital assets designed to be easily redeemed for dollars. Unlike private cryptocurrencies, a U.S. digital currency would be issued by and backed by the Federal Reserve, as are U.S. paper dollar bills and coins.

The move reflects policy makers' growing awareness of cryptocurrencies as they have exploded in value. Since bitcoin was launched 13 years ago, the federal government has taken a piecemeal approach to the asset class, with some agencies largely sidestepping it while others seek to squeeze it into existing regulatory frameworks designed decades earlier.

The White House will ask the Treasury Department to study the creation of a U.S. digital currency, a possibility that the Federal Reserve has already started to evaluate, while the Justice Department will be tasked with reviewing whether Congress would need to pass new legislation for a central-bank digital currency. The person said the order will request the Office of Science and Technology Policy at the White House to look at the technical considerations of creating a U.S. digital currency.

The White House executive order will also task the Treasury Department with reviewing the possible risks cryptocurrencies pose to broader financial stability, as well as the illicit-finance and national security risks that the tokens present, according to the person. Under the order, the Treasury Department will work with the Securities and Exchange Commission, the Federal Trade Commission and the Commodity Futures Trading Commission to analyze the risks they pose to consumers.

The Biden administration will review the environmental impact of mining cryptocurrencies, a process of generating revenue by using energy-intensive supercomputers to solve complicated puzzles. The administration will also look at how cryptocurrencies shape economic competitiveness as well as how foreign allies approach digital assets, according to the person.

Regulators across the Biden administration have already started to step up their

scrutiny of digital assets. The Financial Stability Oversight Council last year called stablecoins “an important potential emerging vulnerability,” for example, and the Treasury Department has pressed Congress to pass legislation regulating them.

Bloomberg previously reported that the White House was preparing an executive order on cryptocurrencies.

*—Paul Kiernan and Alex Leary contributed to this article.*

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