

Press Conference on Cryptocurrency Regulation

FEBRUARY 11, 2025

OVERVIEW

- David Sacks, the White House Crypto Czar, led a joint press conference with key congressional leaders to provide insight into a bipartisan roadmap for digital asset legislation, ushering in the “Golden Age” of digital assets.
- Sacks emphasized the need for domestic innovation, regulatory clarity, and a move away from the prosecution and persecution of the digital assets industry.
- Sacks’ objective is to collaborate with the executive branch working group for digital assets and the SEC’s Crypto Task Force to accomplish the task that President Trump assigned in his Executive Order regarding digital assets.

KEY TAKEAWAYS

- Congress is working on two bills to implement a clear regulatory framework for the digital assets industry—one focused on stablecoins and the other on market structures (modeled after FIT21).
- Bicameral collaboration is the next step for lawmakers on Capitol Hill.
- Education of lawmakers on digital assets will be the key to developing the best framework for the industry.
- Novel AML changes for crypto are unlikely.
- The possibility of a federal Bitcoin reserve will soon be evaluated.

STABLECOIN LEGISLATION

- Prior to the press conference, Senator Bill Hagerty (R-TN) introduced a stablecoin bill, the Guiding and Establishing National Innovation in U.S. Stablecoins (GENIUS) Act, which will provide a clear regulatory framework for payment stablecoins.
- “My legislation establishes a safe and pro-growth regulatory framework that will unleash innovation and advance the President’s mission to make America the world capital of crypto”, said Senator Hagerty earlier that day.
- Representative Hill stated that the stablecoin and FIT21 legislation are moving on the same track in the House, and lawmakers are committed to moving the bills on a bipartisan basis.

GUIDING AND ESTABLISHING NATIONAL INNOVATION IN U.S. STABLECOINS ACT (GENIUS)

The proposed stablecoin legislation will provide a regulatory framework for stablecoins by:

- Defining stablecoins as digital assets pegged to the USD
- Creating a procedure for the issuance of stablecoins
- Outlining licensing and reserve requirements for issuers
- Establishing the Federal Reserve and Office of the Comptroller of the Currency (OCC) as regulators for stablecoin issuers

FINANCIAL INNOVATION AND TECHNOLOGY FOR THE 21ST CENTURY ACT (FIT21)

- Legislators plan to reintroduce FIT21, developed in the 118th Congress, as the vehicle to finalize the regulatory framework President Trump ordered.
- FIT21 establishes the Commodity Futures Trading Commission (CFTC) as the regulator for commodities on decentralized blockchains, while the Securities and Exchange Commission (SEC) will regulate securities on centralized blockchains.
- Congress' goal is to create bicameral support for FIT21 and ensure that the industry has the guidance they need as quickly as possible.

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