Twitter Thread by Jack Niewold

Jack Niewold
@JackNiewold

Alright, I did it so you don't have to.

Here's a thread on what Biden's executive order sets out for the industry.

And what that might might mean for crypto investors like you and me.

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First of all, it's important to touch on what this executive order does.

When people think: 'executive order,' they think there will be an immediate change.

With this one, not so much.

No direct action will be taken from this order, at least yet.

It only lays out a process and series of deadlines for an interagency team to write framework around digital assets in 6 different, broad, categories.

This will culminate in report delivered to the president.

Noteworthy:

The very first paragraph seems to take an optimistic tone on crypto and crypto markets, citing:

• Dramatic growth
• Total crypto market cap
• CBDCs

Seems like a promising way to start the report.

> Section 1. Policy. Advances in digital and distributed ledger technology for financial services have led to dramatic growth in markets for digital assets, with profound implications for the protection of consumers, investors, and businesses, including data privacy and security; financial stability and systemic risk; crime; national security; the ability to exercise human rights; financial inclusion and equity; and energy demand and climate change. In November 2021, non state issued digital assets reached a combined market capitalization of $3 trillion, up from approximately $14 billion in early November 2016. Monetary authorities globally are also exploring, and in some cases introducing, central bank digital currencies (CBDCs).

There are six categories of 'objectives' set out by the executive order.

These are the objectives that the report (to be delivered to the president) will address.

1. Protect consumers, investors, & businesses

This section seems to speak more to centralized businesses than decentralized protocols. It touches on the past failures of exchanges to protect assets & consumer data.

It seems to outline protecting investor privacy as a priority.

2. Protect US and global financial stability

This section covers compliance and lack of existing legislation.

But the main idea? “same business, same risks, same rules.”

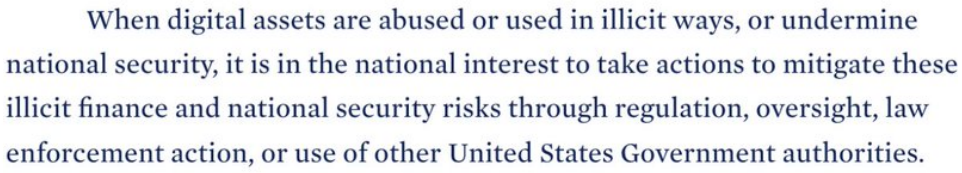
It also recognizes that legislation might need to change to address new types of assets.

3. Address Illicit Finance

This section specifically addresses:

• Sanctions
• Money Laundering
• Financing of terrorism
• Cybercrime

It does seem to suggest that it's well within reason for the US government to regulated decentralized platforms, in the text quoted below.



4. Reinforce US Financial Leadership

This one is, IMO, the most optimistic section. Here, Biden clearly outlines that the administration doesn't want to push crypto abroad.

Also notable? They want to protect the regime and superiority of the dollar

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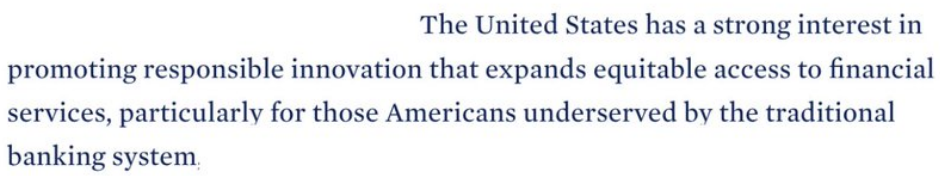
> i think the US gov might understand it needs to slow down on the regulation and allow the market to put USD backed stablecoins in the hands of billions of global participants
>
> — Joseph Todaro (@JosephTodaro_) March 9, 2022

5. Access to Safe and Affordable Financial Services

Here, the order addresses both:

• Financial services domestically
• Cross-border payments/remittances

It also recognizes that some Americans are underserved by the current banking system.



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6. Support Technological Advances

This section particularly speaks to climate change, looking for crypto to "reduce negative climate impacts and environmental pollution" while simultaneously protecting privacy and security.

Then the order dives into the logistics of creating the report, as well as touching on a CBDC (Central Bank Digital Currency).

This order subtly highlights the CBDC as a tool for the US to retain dominance in using the dollar as world currency, focusing on cross-border payments.

The order independently taps the Fed to do research into a CBDC as well.

The framework to handle these matters is due in 180 days, with a final report due in a year.

In 90 days, the executive report requires action and forward movement on illicit finance (maybe with the accelerated timeline due to the conflict in Russia).

I thought the order was overall optimistic, although with legislation, the devil is in the details.

As an American, I'm exceptionally excited that Biden is recognizing the importance of fostering the industry domestically.

But the market seems to have reacted bullishly, which feels promising.

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https://t.co/Igm1Jj0Pb9

Here's a link to the order:

https://t.co/JDuf95SUBG

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It's linked below:

https://t.co/aC17v9UrvM

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