July 11, 2022

Treasury Provides 30 Days for Comment on Digital Assets Development

by Stephen M. Anstey

On July 8, 2022, the U.S. Department of the Treasury (Treasury) published a Request for Comment seeking public input on U.S. digital assets development. The Request for Comment was published pursuant to the Biden Administration's March 9, 2022 Executive Order, "Ensuring Responsible Development of Digital Assets", which requires numerous federal agencies to submit reports and evaluations on digital assets regulation and administration. The Request followed Treasury delivering a Framework for International Engagement on Digital Assets to President Biden on July 7, 2022.

The Request for Comment solicits public input on digital assets (cryptocurrency, stablecoin, and central bank digital currency (CBDC)) development through six broad inquiries. These inquiries are:

1. What explains the level of current adoption of digital assets? Please identify key trends and reasons why digital assets have gained popularity and increased adoption in recent years?
2. [What are the f]actors that would further facilitate mass adoption?
3. What are the main opportunities for consumers, investors, and businesses from digital assets?
4. Please identify and describe any risks arising from current market conditions in digital assets and any potential mitigating factors.
5. Please identify and describe potential risks to consumers, investors, and businesses that may arise through engagement with digital assets.
6. Can digital assets play a role in increasing […] underserved Americans' access to safe, affordable, and reliable financial services, and if so, how?

Treasury's Request for Comment follows a May 19, 2022 Department of Commerce request for public comment on Developing a Framework on Competitiveness of Digital Asset Technologies. U.S. agencies, federal officials, and legislators continue to focus on how best to develop a broad regulatory digital assets framework through regulation and legislation.

Given the key role the Executive Order and its implementation will play in the development of a comprehensive U.S. digital assets framework, companies working in, or affected by, the digital assets sphere should strongly consider responding to Treasury's Request for Comment. Written comments must be received by Treasury "on or before August 8, 2022."

If you have any questions concerning the development of digital assets regulation and policy, please do not hesitate to reach out to Stephen Anstey at sanstey@kilpatricktownsend.com.

Kilpatrick Townsend's Digital Assets Regulation Blog

Kilpatrick Townsend's Digital Assets Regulation Blog (DARB) covers various aspects of digital assets regulation, development, and administration, as well as related topics. For more information, please visit our website at Digital Assets Regulation (kilpatricktownsend.com)