

The Blockchain Ledger

LINKING ASSETS INC.

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In this Ledger



Presidential Executive Order Issued on the Development of Digital Assets



Key News & Developments Highlights

Linking Assets Inc. publishes *The Blockchain Ledger* with articles and information regarding blockchain, cryptocurrency, virtual currency, digital assets, and their intersections with state unclaimed property laws.

Presidential Executive Order Issued on the Development of Digital Assets

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President Biden has issued a long-awaited Executive Order designed for federal agencies to pursue a coordinated, interagency process¹ for the development and regulation of digital assets and further explore a U.S. Central Bank Digital Currency (CBDC). The Order nods to the dramatic growth in digital asset markets and the advances in distributed ledger technology creating opportunities to reinforce American leadership in technology and the global financial system. Further, digital assets have “substantial implications for consumer protection, financial stability, national security, and climate risk.”²

¹ <https://www.whitehouse.gov/briefing-room/presidential-actions/2022/03/09/executive-order-on-ensuring-responsible-development-of-digital-assets/>; “The Assistant to the President for National Security Affairs (APNSA) and the Assistant to the President for Economic Policy (APEP) shall coordinate, through the interagency process... the executive branch actions necessary to implement this order. The interagency process shall include, as appropriate: the Secretary of State, the Secretary of the Treasury, the Secretary of Defense, the Attorney General, the Secretary of Commerce, the Secretary of Labor, the Secretary of Energy, the Secretary of Homeland Security, the Administrator of the Environmental Protection Agency, the Director of the Office of Management and Budget, the Director of National Intelligence, the Director of the Domestic Policy Council, the Chair of the Council of Economic Advisers, the Director of the Office of Science and Technology Policy, the Administrator of the

As well as a whole of government approach, the Order promotes collaborating with our allies and partners; facilitating development of unified international capabilities to respond to national security risks. The Order also invites working with the “private sector to study and support technological advances.”³

The Order is divided into sections: 1) Policy, 2) Objectives, 3) Coordination, 4) Policy and Actions Related to United States Central Bank Digital Currencies, 5) Actions to Limit Illicit Finance and Associated National Security Risks, 6) Actions to Promote Financial Stability, Mitigate Systemic Risk, and Strengthen Market Integrity, 7) Actions to Limit Illicit Finance and Associated National Security Risks, 8) Policy and Actions Related to Fostering International Cooperation and United States Competitiveness, and 9) Definitions.

In a Fact Sheet published alongside the Executive Order, it names the importance of:

- Protect U.S. Consumers, Investors, and Businesses
- Protect U.S. and Global Financial Stability and Mitigate Systemic Risk
- Mitigate the Illicit Finance and National Security Risks Posed by the Illicit Use of Digital Assets
- Promote U.S. Leadership in Technology and Economic Competitiveness to Reinforce U.S. Leadership in the Global Financial System
- Promote Equitable Access to Safe and Affordable Financial Services
- Support Technological Advances and Ensure Responsible Development and Use of Digital Assets
- Explore a U.S. Central Bank Digital Currency (CBDC).⁴

Current laws and regulations lack a “comprehensive legal framework for digital assets, or the regulation

Office of Information and Regulatory Affairs, the Director of the National Science Foundation, and the Administrator of the United States Agency for International Development. Representatives of other executive departments and agencies (agencies) and other senior officials may be invited to attend interagency meetings as appropriate, including, with due respect for their regulatory independence, representatives of the Board of Governors of the Federal Reserve System,” the CFPB, the FTC, SEC, CFTC, FDIC, OCC, and other Federal regulatory agencies.

² <https://www.whitehouse.gov/briefing-room/statements-releases/2022/03/09/fact-sheet-president-biden-to-sign-executive-order-on-ensuring-responsible-innovation-in-digital-assets/>

³ Ibid

⁴ Ibid

of cryptocurrency exchanges.” Many have been calling for clarity in regulations. Notably, the SEC, CFTC, OCC, CFPB, and other agencies have “long called for more oversight of the crypto market.”⁵

In issuing this Order, President Biden is acknowledging the current haphazard approach used to regulate digital assets is insufficient. Naturally, the White House is not planning to issue any direct regulations; but rather, the interagency process would yield reports, frameworks, recommendations, studies, and action plans. The Biden Administration plans to continue to work across agencies and with Congress to “establish policies that guard against risks and guide responsible innovation.”⁶ Linking Assets will monitor developments and potential unclaimed property implications.



Key News/Developments Highlights

Politicians and Regulators are awakening- In addition to the Executive Order reported on in this edition, Stablecoin Regulation was the focus of a House Financial Services Committee Hearing on February 8, 2022. It discussed the findings of Digital Assets and the Future of Finance: The President’s Working Group on Financial Markets’ Report on Stablecoins.⁷ The published testimony of Jean Nellie Liang, Under Secretary for Domestic Finance for the Treasury Department, is available.⁸

Senator Cynthia Lummis of Wyoming, a member of the Senate Banking Committee, is a proponent and owner of Bitcoin. In late 2021, she announced she will be proposing comprehensive legislation and a new crypto regulatory body overseen by the CFTC and SEC. It is anticipated the bill will include regulating stablecoins, establishing crypto tax laws, and creating consumer protections for crypto investors. Dates are unknown.

CFTC Chairman Behnam asked Congress to grant authority to regulate some cryptocurrencies; requesting for a law to be enacted allowing the CFTC “to regulate cash markets for certain types of cryptocurrencies—currently the agency is limited to

regulating derivatives—and provide it with funding to conduct additional oversight.” This would aim to fill a regulatory gap, with some types of cryptocurrencies claiming to fall “outside the jurisdiction of the federal government’s other market regulator, the Securities and Exchange Commission.”⁹

In a statement issued on February 7, 2022, Martin Gruenberg, Acting FDIC Chair, says the evaluation of crypto and digital asset risks is a top priority for 2022. He asserts their rapid introduction “into the financial system could pose significant safety and soundness and financial system risks” and it is “imperative that the federal banking agencies carefully consider the risks... and determine the extent to which banking organizations can safely engage in crypto-asset-related activities.”¹⁰

The Federal Reserve Bank of Boston released findings on **Project Hamilton**, a collaboration with MIT’s Digital Currency Initiative. The report details their initial CBDC technological research. The project explores using existing and new technologies to build and test a hypothetical digital currency platform. The project’s first phase produced the research and code released for a high-performance transaction processor.

Crypto in a self-directed IRAs- platforms allow IRA participants to invest retirement funds into digital currencies.

What is the next Pokémon card? Skyweaver is a web-based strategy, card game “where you can own, trade and gift your cards... in a player-owned marketplace [it] lets you win tradable **NFT cards**...”¹¹

Avanti, Caitlin Long’s Wyoming-based crypto bank, is a step closer to a U.S. Federal Reserve master account. Through the American Bankers Association, Avanti Bank has acquired a routing number, “a key milestone in the process to receive a Fed account.”¹²

Smart land records- Wise County Virginia is using blockchain for managing land records.¹³



⁵ <https://markets.businessinsider.com/news/currencies/crypto-executive-order-white-house-digital-assets-regulation-biden-february-2022-1>

⁶ <https://financialservices.house.gov/events/eventsingle.aspx?EventID=409026>

⁷ <https://docs.house.gov/meetings/BA/BA00/20220208/114398/HHRG-117-BA00-Wstate-LiangN-20220208.pdf>

⁸ <https://www.wsj.com/articles/cftc-chair-to-testify-on-cryptocurrencies-as-congress-weighs-legislation-11644414710>

¹⁰ <https://www.fdic.gov/news/press-releases/2022/pr22015.html>

¹¹ <https://www.skyweaver.net/>

¹² <https://www.yahoo.com/now/caitlin-longs-wyoming-crypto-bank-002827952.html>

¹³ <https://www.route-fifty.com/tech-data/2022/03/rural-county-puts-land-records-blockchain/363095/>