

The Trump Administration's Reshaping of Digital Asset Policy

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Since assuming office on January 20, 2025, President Trump's Administration, together with various federal agencies and Congress, have initiated several actions that have the potential to reshape the digital asset industry within the United States. Marking a notable departure from the prior administration's approach, the Trump administration's policy initiatives combine a de-emphasis on regulation by enforcement with greater reliance on deregulation and industry input, all with a view toward positioning the United States as the global leader in digital assets and digital financial technology. The discussion below is a high-level overview of various executive branch, regulatory, and legislative developments in the digital asset and cryptocurrency space during the last three months. While too early to say what impact the Trump Administration's initiatives will have, they signal a strong willingness to support the digital asset industry.

Executive Branch Actions Establishing a Pro-Crypto Framework

Executive Order 14178

On January 23, 2025, President Trump issued [Executive Order 14178](#), titled "Strengthening American Leadership in Digital Financial Technology" ("**EO 14178**"). EO 14178 signals a shift in U.S. policy towards digital assets from those of the prior administration. Specifically, EO 14178 asserts that the digital asset industry plays a "crucial role in innovation and economic development in the United States" and commits the Trump Administration to support the responsible growth and use of cryptocurrencies, blockchain technology, and related innovation across all economy sectors. Key provisions of EO 14178 include:

- Explicit Revocation of Previous Biden-Era Policies: EO 14178 repealed Executive Order 14067, dated March 9, 2022 (the "**Biden EO**"), which had detailed the risks of digital assets to consumers, both for anti-money laundering purposes and related to global financial stability, and therefore focused on governmental oversight of digital assets. The Order also nullified the U.S. Department of the Treasury ("**DOT**") Framework for International Engagement on Digital Assets, dated July 7, 2022.
- Promotion of Regulatory Clarity: EO 14178 emphasized the need for clear and consistent technology neutral regulations to foster innovation and protect consumers in this space.
- Formation of the Presidential Working Group on Digital Asset Markets: EO 14178 established, within the National Economic Council, the President's Working Group on Digital Asset Markets (the "**Working Group**"), to be chaired by the Special Advisor for AI and Crypto. President Trump appointed David Sacks as the Special Advisor. The Working Group is tasked with, among other things, the responsibility of proposing a new regulatory framework governing the issuance and operation of digital assets within 180 days.
- Ensuring Access to Banking for Digital Asset Companies: EO 14178 calls for protecting and promoting "fair and open access" to banking services for those entities and individuals that are law abiding.
- Support for Specific Digital Asset Activities: EO 14178 calls for protecting and promoting access to and use of public blockchain networks, including the ability to develop and deploy blockchain software, to maintain self-custody of digital assets, to participate in mining and validating activities; and to transact without unlawful censorship.

- Prohibition on the Creation of a Central Bank Digital Currency: The Biden EO had posited the creation of a U.S. central bank digital currency (“CBDC”). EO 14178 rejects the creation of a CBDC, citing concerns over risks to the financial system, loss of privacy, and potential government overreach, and explicitly bars federal agencies from researching or taking steps to implement a CBDC.

Establishment of the Strategic Bitcoin Reserve

On March 6, 2025, President Trump issued [Executive Order 14233](#) (“**EO 14233**”) establishing the Strategic Bitcoin Reserve (“**Reserve**”) and U.S. Digital Asset Stockpile (“**Stockpile**”). The Reserve and the Stockpile would be funded with cryptocurrencies held by DOT as a result of criminal or civil asset forfeiture proceedings or in satisfaction of any civil money penalty imposed by the executive branch. The Reserve is intended to hold all Bitcoin so held, while the Stockpile comprises all other non-Bitcoin cryptocurrencies so held. EO 14233 also directs the Secretaries of the DOT and the U.S. Department of Commerce to develop strategies for acquiring additional Bitcoin in the Reserve, but provides that the Stockpile shall not acquire assets other than in connection with criminal or civil asset forfeiture proceedings or in satisfaction of any civil money penalty.

The Digital Asset Summit

On March 7, 2025, the White House hosted the Digital Asset Summit, during which digital asset company leaders, policymakers, and regulators met to discuss the future of digital assets. During the summit, President Trump reaffirmed his goal to make the United States “the crypto capital of the world,” and since the summit, the Trump Administration that this can only be achieved only through a transparent and consistent regulatory regime. The administration also clarified that it is exploring tax incentives for businesses that adopt blockchain-based solutions and international partnerships are being discussed to promote global regulatory alignment.

Department of Justice

In a [memorandum](#) (the “**Memo**”) to the U.S. Department of Justice (“**DOJ**”), dated April 7, 2025, U.S. Deputy Attorney General Todd Blanche announced that new set of priorities relating to investigations and prosecutions involving digital assets. The Memo states that DOJ is not a “digital assets regulator,” and that DOJ generally will no longer target virtual currency exchanges, mixing and tumbling services, and offline wallets for the acts of their end users or unwitting violations of regulations. Instead, the Memo, citing EO 14178, requires DOJ to instead prioritize investigations and prosecutions that involve conduct victimizing investors (e.g., fraud, embezzlement, and misappropriation) and cases where digital assets are used in furtherance of other criminal conduct, such as fentanyl trafficking, terrorism, cartels, organized crime, and human trafficking and smuggling. In support of this new direction, the Memo disbanded immediately the National Cryptocurrency Enforcement Unit (“**NCET**”), a joint task force established during the prior administration that had been responsible for some of DOJ’s biggest cryptocurrency-related cases (including the Tornado Cash case, discussed below).

Treasury Department

On August 8, 2022, the DOT’s Office of Foreign Assets Control (“**OFAC**”), working in conjunction with the NCET, sanctioned Tornado Cash, a virtual currency mixer operating on the Ethereum blockchain that facilitates anonymous blockchain transactions by obfuscating their origin, destination, and counterparties. The sanctions were imposed because OFAC believed that Tornado Cash was often used by illicit actors to launder funds. On March 21, 2025, OFAC officially lifted its sanctions on Tornado Cash. In a brief [statement](#), OFAC announced that it had removed Tornado Cash’s associated addresses, reversing one of the prior administration’s most notable enforcement actions in the digital asset space.

Other Relevant Regulatory Developments

Securities and Exchange Commission

Under the leadership of then-acting Chairman of the U.S. Securities and Exchange Commission (“**SEC**”) Mark T. Uyeda, the SEC has changed its stance toward cryptocurrency in a number of different contexts, as further described below.

- SAB 122. On January 23, 2025 (concurrent with the issuance of the Order, discussed above), the SEC issued [Staff Accounting Bulletin No. 122](#) (“**SAB 122**”), which rescinded the interpretive guidance included in Staff Accounting Bulletin No. 121 (“**SAB 121**”). Issued in March 2022, SAB 121 had required cryptocurrency custodians to record digital assets held for customers as liabilities on their balance sheets, which had significant implications for

companies that safeguard digital assets. With the application of SAB 122, an entity that safeguards digital assets for others will itself determine whether to recognize a liability related to the risk of loss under such an obligation. If such a liability exists, the entity must disclose the measurement of such a liability. If no such liability exists, then none will be required to be reported on the entity's balance sheet. Impacted entities can apply SAB 122 on a fully retrospective basis for annual periods beginning after December 15, 2024. Additionally, entities have the option to restate earlier financial statements filed with the SEC to apply SAB 122 after January 30, 2025 (the effective date of SAB 122). Accounting changes must be disclosed.

- Internal Reorganization. The SEC announced the creation of the Cyber and Emerging Technologies Unit ("**CETU**") within the Division of Enforcement, which replaces the prior Crypto Assets and Cyber Unit. The CETU is comprised of approximately 30 attorneys and specializes across multiple SEC offices and focuses on "combating cyber-related misconduct and to protect retail investors from bad actors in the emerging technologies space." The SEC's Division of Enforcement also created the Crypto Task Force, headed by SEC Commissioner Hester Peirce, which is responsible for conducting hearings and providing policy recommendations. The SEC has also hosted a series of public roundtable discussions with industry leaders to shape future policy.
- Dismissal of Lawsuits. The SEC has dismissed a number of high profile lawsuits. The SEC dropped a lawsuit against Coinbase on February 27, 2025. A lawsuit against Kraken was dismissed on March 3, 2025. On February 13, 2025, a federal judge granted a joint request by the SEC and Binance, the world's largest crypto exchange, to pause their ongoing litigation while they await new rules from the Crypto Task Force. SEC investigations against OpenSea, Robinhood, Uniswap and ConsenSys have also been closed.
- Guidance on Stablecoins. In a [statement](#) released April 4, 2025, SEC staff issued guidance suggesting that certain stablecoins pegged 1:1 to the U.S. dollar may not be subject to securities regulations. According to the SEC staff, if a stablecoin adheres to a strict set of criteria, it can be considered a payment instrument rather than an investment contract, thus falling outside the SEC's jurisdiction under the Securities Act of 1933. The criteria include: (1) the stablecoin must maintain a 1:1 backing with the U.S. dollar or equivalent safe assets at all times (not precious metals or other crypto tokens); (2) stablecoin holders must be able to redeem their coins at par at any time, and (3) the stablecoin should not grant any rights to profit or income and should not be marketed as an investment.
- Continuing to Review Prior SEC Statements. In a [statement](#) posted on April 5, 2025 on the SEC's X account, then-acting Chairman Uyeda directed SEC staff to review several cryptocurrency-related regulatory statements in order to "identify staff statements that should be modified or rescinded consistent with current agency priorities, . . . including guidance on the investment contract analysis of digital assets and the treatment of Bitcoin futures under the Investment Company Act." Other key documents slated for review are those relating crypto-market disclosure letters, digital asset securities oversight, and custody standards tied to Wyoming's no-action letter.

On April 22, 2025, Paul Atkins was confirmed as the Chairman of the SEC, and his first public event as Chairman was an appearance at the SEC's Crypto Task Force on April 25, 2025, where he [noted](#) that the digital asset industry "deserve[s] clear regulatory rules of the road" and that he "look[ed] forward to engaging with market participants and working with colleagues in President Trump's Administration and Congress to establish a rational, fit-for-purpose regulatory framework for crypto assets."

Commodity Futures Trading Commission

In response to [Executive Order 14219](#) and the DOJ's April 7 memorandum (i.e., the Memo), Acting Commodity Futures Trading Commission ("CFTC") Chairman Caroline Pham issued new enforcement directives on April 8, 2025. Acting Chairman Pham instructed CFTC staff not to pursue regulatory violations involving digital assets unless there is clear evidence that the defendant had knowledge of the applicable licensing or registration requirement and willfully violated it. Acting Chairman Pham also directed staff to avoid taking litigation positions inconsistent with the enforcement priorities outlined by the Trump Administration or the DOJ. In a public statement, Acting Chairman Pham praised the Trump Administration's revised approach to the digital asset sector, noting that "[f]or far too long, lawfare from multiple federal agencies against innovators in the digital asset space has created unfairness and uncertainty that has undermined trust in the regulatory process and impeded American competitiveness."

Office of the Comptroller of the Currency

The Office of the Comptroller of the Currency (“OCC”) has taken proactive steps in 2025 to allow banks and other financial institutions to hold and provide services in respect of digital assets. The OCC issued an [Interpretive Letter 1183](#) (the “Letter”) on March 7, 2025, allowing national banks and federal savings associations to (once again) provide crypto-asset custody services, hold dollar deposits that serve as reserves for dollar-backed stablecoins, and act as a validator node on a distributed ledger network (that is, a blockchain) without awaiting the OCC’s “non-objection,” provided that such activities are conducted “in a safe, sound, and fair manner.” The Letter also rescinded prior OCC statements that discouraged banks from dealing with digital asset companies. Finally, the OCC used the Letter to announce that it would be withdrawing its participation in two interagency statements (with the Federal Deposit Insurance Corporation and the Board of Governors of the Federal Reserve System) that were viewed as unfavorable to cryptocurrency activities (those being (1) the Joint Statement on Crypto-Asset Risks to Banking Organizations, and (2) the Joint Statement on Liquidity Risks to Banking Organizations Resulting from Crypto-Asset Market Vulnerabilities.

Congressional Actions: Crypto-Related Legislation in 2025

Both the House of Representatives and the Senate have been actively involved in shaping new cryptocurrency legislation. Some important congressional actions taken so far in 2025 include:

Repeal of Internal Revenue Service DeFi Broker Reporting Rules

As noted in a previous [alert](#), on March 11, 2025, under the auspices of the Congressional Review Act, the U.S. House of Representatives approved a joint resolution (H.J. Res. 25), officially disapproving of recently finalized regulations that would have potentially imposed stringent tax reporting requirements on decentralized finance (“DeFi”) platforms, categorizing them as “brokers” under existing U.S. tax laws (“DeFi Regulations”). On March 26, 2025, the Senate passed (again) the joint resolution, and on April 10, 2025, President Trump signed the legislation. As a result, the DeFi Regulations, which would have been effective for transactions beginning in 2027, will not take effect. We note, however, that the repeal of the DeFi Regulations does not have any substantive effect for taxpayers conducting investment activities on DeFi platforms; that is, this repeal does not exempt them from their income tax obligations with respect to the investments. Investors are encouraged to keep detailed records of their DeFi transactions, as the Internal Revenue Service retains the authority to audit persons with unreported income and gains and can track such transactions given the public nature of the blockchain.

Stablecoin Legislation

Two significant stablecoin-related bills are being debated in Congress: the STABLE Act and the GENIUS Act.

- [H.R. 2392](#), or the Stablecoin Transparency and Accountability for a Better Ledger Economy Act (the “**STABLE Act**”), was introduced in the House of Representatives on March 26, 2026, the main sponsor being Representative Bryan Steil (Chair of the Digital Assets Subcommittee of the House Financial Services Committee). The STABLE Act establishes clear reserve requirements for stablecoins and creates licensing requirements for issuers. The bill also mandates that stablecoin issuers undergo periodic reviews (not necessarily audits). The House Financial Services Committee voted 32-17 (including five Democrat representatives) on April 2, 2025 to move the STABLE Act to the House floor for further debate.
- [S. 919](#), or the Guiding and Establishing National Innovation for U.S. Stablecoin Act (the “**GENIUS Act**”), was introduced in the Senate on March 10, 2025. The GENIUS Act focuses on integrating stablecoins into federal payment systems and requires that stablecoin issuers maintain one-to-one reserve backing. The GENIUS Act was passed by the Senate Committee on Banking, Housing, and Urban Affairs in an 18-6 vote on March 13, 2025, which moves the bill to the Senate floor for further debate.

Conclusion

The actions taken by the Trump Administration, federal agencies and Congress during 2025 appear to reflect a strategy designed to promote the growth and integration of digital assets into the U.S. economy while addressing potential risks associated with this rapidly evolving sector.

For more information

If you have any questions about any of the developments discussed above, or about digital assets and cryptocurrency more generally, feel free to reach out to the authors of this alert, or your Vedder Price contact.