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Fact Sheet: Treasury Report on Crypto-Assets: Implications for Consumers, Investors, and Businesses

WASHINGTON — On September 16, 2022, the U.S. Department of the Treasury [published three reports](#) pursuant to President Joe Biden’s Executive Order 14067 on “Ensuring Responsible Development of Digital Assets.” This fact sheet summarizes key takeaways from the report that Treasury developed in consultation with relevant agencies as directed by Section 5(b)(i) of that executive order.

The [Section 5\(b\)\(i\) report](#) reviews the current crypto-asset markets and trends that inform the potential opportunities and risks associated with their use. This report also discusses implications of these opportunities and risks for consumers, investors, and businesses, with an eye towards those aspects affecting populations vulnerable to disparate impacts.

Existing and potential use-cases for crypto-assets come with risks for consumers, investors, and business. Some of these risks are unique to the crypto-asset ecosystem, and other risks identified in this report are versions of those experienced in traditional financial markets that may be heightened when experienced in the crypto-asset ecosystem. Consumers, investors, and businesses are exposed to conduct risks, operational risks, intermediation risks, as well as risks from regulatory non-compliance and evolving market oversight, all of which contribute to frequent instances of operational failures, market manipulation, frauds, thefts, and scams.

To help the United States promote responsible development of digital assets, this report provides a set of recommendations for relevant agencies to adopt, through a multi-part approach, to address relevant risks associated with the crypto-asset sector, using their existing authorities. This approach prioritizes the need for urgent action to protect consumers, investors, and businesses, even as stakeholders continue to debate legislative proposals on the subject of crypto-asset market regulation. The recommendations include the following actions for consideration:

- [Civil and Criminal Enforcement](#). U.S. regulatory and law enforcement agencies should, as appropriate, vigilantly monitor the crypto-asset sector for unlawful activity, aggressively pursue investigations, and continue to bring civil and criminal actions to enforce applicable laws with a particular focus on consumer, investor, and market protection.
- [Regulatory Guidance and Inter-agency Coordination](#). U.S. regulatory agencies should continue using their existing authorities to issue supervisory guidance and rules, as needed, to address current and emerging risks in crypto-asset products and services for consumers, investors, and businesses. Agencies should work collaboratively to promote consistent and comprehensive oversight that addresses the risks identified in this report. Regulators should also review existing regulations and take appropriate steps to address: (i) consumer and investor confusion regarding the regulation of crypto-asset products and services and (ii) gaps in disclosures by market participants promoting crypto-asset products or services and operational and technical obligations of crypto-asset intermediaries.
- [Consumer and Investor Education](#). U.S. authorities should work individually and through the Financial Literacy and Education Commission (FLEC), as appropriate, to ensure that U.S. consumers, investors, and businesses have access to trustworthy information on crypto-assets. To help address the extensive risks associated with engagement in crypto-asset markets, as well as the prevalence of frauds, thefts, scams, and other undesirable practices in the sector, the FLEC should coordinate and promote consumer and investor education efforts for crypto-assets, ensuring that consumer- and investor-friendly, trustworthy, and consistent educational materials are accessible and inclusive. In light of the lack of data and information on the use of crypto-assets by populations vulnerable to disparate impacts, FLEC member agencies should explore using existing surveys to collect new or additional data that can help facilitate better understanding of the opportunities and risks facing these populations.