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Trump's executive order could solidify stablecoins' payments future

Article

The news: **President Donald Trump** signed an executive order outlining some of his key crypto priorities—including **stablecoins**.

- The order established a crypto working group tasked with developing regulations across various government departments.

- It bans further work on a **central bank digital currency (CBDC)** and prioritizes the growth of private, dollar-backed stablecoins globally to help promote the sovereignty of the US dollar.
- The order also outlines other key priorities for the industry, including protecting crypto firms' and users' access to the US banking system.

The bigger picture: Traditional crypto assets like **Bitcoin** don't make a strong case to be used for payments because they're extremely volatile. But stablecoins (and CBDCs) avoid this volatility by pegging their value to an underlying asset like the US dollar.

But stablecoins payments adoption has been minimal due to the unclear regulatory environment—in addition to trust problems, poor user experiences, and a lack of incentives.

Why it matters: Despite the benefits of a CBDC, Trump argued the assets introduce financial privacy concerns and "threaten the stability of the financial system."

Opponents argue CBDCs would let governments track consumer transactions and disintermediate most private banking infrastructure.

The ban is a win for stablecoins and issuers like **Circle**, **Tether**, and even **PayPal**.

Our take: Trump's support of stablecoins (and disapproval of CBDCs) helps solidify stablecoins' future in the payments world.

Major payment players have been prepping for this moment.

- **Revolut** has reportedly been preparing to launch a stablecoin.
- **Stripe** acquired stablecoin startup **Bridge** in October for $1.1 billion.
- And **Visa** has made various stablecoin investments and product launches, including the **Visa Tokenized Asset Platform**, which rolled out in October.

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