

Matthew Frankle in Bloomberg News Article about Pitfalls of Stablecoins

July 20, 2021 Matthew Frankle

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Haynes Boone Partner [Matthew Frankle](#) talked with *Bloomberg News* about the potential pitfalls of stablecoins as they grow in popularity and potential regulatory safeguards that may result from those discussions among U.S. financial regulators to protect end-users and the economy.

Below is an excerpt:

Treasury Secretary Janet Yellen pushed top U.S. financial regulators to accelerate their consideration of new rules to police so-called stablecoins, a type of cryptocurrency that's seen rapid recent growth and remains largely unsupervised.

"The secretary underscored the need to act quickly to ensure there is an appropriate U.S. regulatory framework in place," the Treasury Department said Monday in a statement following a meeting of the President's Working Group on Financial Markets. The group "expects to issue recommendations in the coming months," according to the statement.

"There's not a lot of disclosure about how stablecoins work and what's backing them," said Matthew Frankle, a partner at law firm Haynes Boone.

As such, the main drive by regulators, said Frankle, will likely aim to provide safety for consumers. New rules would cut into profit margins earned by issuers, he added, but in the long-run should help them attract more users.

The Fed is expected to publish a paper as early as September unveiling additional research on emerging payment methods - including cryptocurrency, stablecoins and central bank digital currencies - and laying out related policy questions.

To read the full article, click [here](#).