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FDIC: Banks Can Engage in Crypto-Related Activities Without Prior Notice

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On March 28, 2025, the Federal Deposit Insurance Corporation (FDIC) clarified that FDIC-supervised institutions do not need to provide notice or obtain approval from the FDIC prior to engaging in crypto-related activities. This guidance rescinds **prior guidance issued in 2022**, which required FDIC-supervised institutions to notify the FDIC before engaging in any crypto-related activities.

New guidance

Financial Institution Letter (FIL-7-2025) provides that FDIC-supervised institutions may engage in "permissible activities, including activities involving new and emerging technologies such as crypto-assets and digital assets" without notifying the FDIC in advance, provided such institutions "adequately manage the associated risks" and "conduct all activities in a safe and sound manner and consistent with all applicable laws and regulations." The FDIC notes that associated risks may include market and liquidity risks, operational and cybersecurity risks, consumer protection requirements, and anti-money laundering requirements.

"Crypto-related activities" include, without limitation, "acting as crypto-asset custodians; maintaining stablecoin reserves; issuing crypto and other digital assets; acting as market makers or exchange or redemption agents; participating in blockchain- and distributed ledger-based settlement or payment systems, including performing node functions; as well as related activities such as finder activities and lending."

Change from prior guidance

This latest guidance rescinds 2022 guidance requiring FDIC-supervised institutions to notify the FDIC prior to engaging in any crypto-related activities. That guidance provided that, following such notification, the FDIC would request "information necessary to allow the agency to assess the safety and soundness, consumer protection, and financial stability implications of such activities." The FDIC implemented that procedure in response to what it described as "significant safety and soundness risks, as well as financial stability and consumer protection concerns" posed by crypto-related activities.

The FDIC's change in policy follows a similar reversal by the Office of the Comptroller of the Currency (OCC). On March 7, 2025, via **Interpretive Letter 1183**, the OCC rescinded **November 2021 guidance** requiring any national bank or federal savings association intending to engage in crypto-related activities to notify the OCC prior to engaging in such activities and to "demonstrate, to the satisfaction of its supervisory office, that it has controls in place to conduct the activity in a safe and sound manner."

Looking ahead

These latest policy changes by the FDIC and the OCC are consistent with the Trump administration's efforts to reform crypto regulation. On January 23, 2025, the president signed an **executive order** that, among other initiatives, established the Presidential

Working Group on Digital Asset Markets to provide recommendations regarding federal cryptocurrency regulation.

The FDIC stated that, in addition to continued engagement with the presidential working group, it anticipates issuing further crypto-related guidance and will work with other banking regulators to replace interagency statements issued in **January 2023** and **February 2023**.

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