

INSIGHTS



Federal Reserve Withdraws Crypto-Related Guidance Including Notification Requirements for Banking Organizations

The Federal Reserve Board ("Board") softened its stance on regulation of crypto activity by banking organizations by rescinding supervisory letters that created hurdles for crypto-asset activities and by joining the Office of the Comptroller of the Currency ("OCC") and the Federal Deposit Insurance Corporation ("FDIC") in withdrawing from two 2023 interagency statements warning against bank crypto activities.

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On April 24, 2025, the Board followed recent supervisory actions by the OCC and the FDIC that ease restrictions on bank involvement in crypto-related activities.

The Board withdrew from two key pieces of crypto-asset guidance: (i) its 2022 supervisory letter that required state member banks to give the Board advance notice of any crypto-asset activity; and (ii) its 2023 supervisory letter that required all banking organizations supervised by the Board ("banking organizations"), including state member banks and bank holding companies, to obtain a formal "supervisory non-objection" before engaging in activities involving dollar-denominated tokens. Effective immediately, banking organizations no longer need to submit separate notices or seek prior approval for permissible crypto-asset or dollar-token activities. Instead, the Board will monitor the bank organizations' crypto-asset activities through the "normal supervisory process."

The Board also issued a joint statement with the FDIC, on April 24, 2025, formally withdrawing both agencies from two interagency statements issued in January 2023 and February 2023. While the OCC withdrew from the joint statements on March 7, and the FDIC publicly stated on March 28 that it planned to follow suit, this is the first public step the Board has taken to change its position on safety and soundness concerns surrounding permissible crypto-related activities.

The Board, along with the OCC and FDIC, will consider additional guidance to support innovation. Further bank regulatory developments are likely as Congress will require rulemaking by the three regulators under pending legislation that would establish a federal regulatory structure for many stablecoins.

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