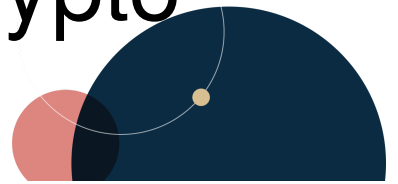


# OCC Smooths Path for Banks to Take Advantage of Crypto Technology



## Overview

On March 7, 2025, the Office of the Comptroller of the Currency (OCC) eliminated the requirement for OCC-supervised banks to obtain supervisory non-objection prior to engaging in certain digital asset activities.<sup>1</sup> Under this new framework created by Interpretive Letter 1183, national banks and federal savings associations (collectively, "banks") are no longer required to seek supervisory non-objection before providing crypto-asset custody services, holding dollar deposits serving as reserves backing stablecoins, acting as nodes on a distributed ledger to verify payments, or engaging in certain stablecoin activities to facilitate payment transactions.<sup>2</sup>

This action, taken via publication of Interpretive Letter 1183, expressly rescinds Interpretive Letter 1179, issued in November 2021, which required banks to notify their supervisory offices in advance of their intent to engage in certain digital asset activities and to proceed only after receiving written non-objection.<sup>3</sup>

Interpretive Letter 1183 references three other Interpretive Letters (1170, 1172, and 1174) that outline the types of activities that no longer require written supervisory non-objection. Those letters remain in effect, and banks engaging in the activities described in the letters must do so in a safe and sound manner, consistent with sound risk management practices.<sup>4</sup>

**Custody:** Banks are permitted to provide cryptocurrency custody services to customers. This includes holding the keys associated with cryptocurrency, both in non-fiduciary and fiduciary capacities.<sup>5</sup>

**Holding Stablecoin Reserves:** In Interpretive Letter 1172, OCC's Chief Counsel concluded that banks may hold stablecoin reserves as a service to bank customers. However, this conclusion applies only to stablecoins backed on a 1:1 basis by a single fiat currency. Additionally, banks must verify at least daily that the reserve account balances are at least equal to the number of outstanding stablecoins issued by the stablecoin issuer.<sup>6</sup> The new

Interpretive Letter 1183 does not modify that analysis.

**Node in Digital Ledger:** Banks are permitted to use distributed ledgers to validate, store, and record payment transactions.<sup>7</sup> They may also use stablecoins to facilitate payments for customers on a blockchain, including issuing a stablecoin and exchanging it for fiat currency.<sup>8</sup>

**Key Takeaways:** This step by OCC removes a major bureaucratic hurdle for OCC-regulated financial institutions, allowing them to explore ways to integrate custody, stablecoins, and blockchain technology into their product offerings.

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<sup>1</sup> Office of the Comptroller of the Currency, Interpretive Letter 1183, *OCC Letter Addressing Certain Crypto-Asset Activities* (Mar. 7, 2025) <https://occ.gov/news-issuances/news-releases/2025/nr-occ-2025-16.html>.

<sup>2</sup> Interpretive Letter 1183.

<sup>3</sup> Office of the Comptroller of the Currency, Interpretive Letter 1179, *Chief Counsel's Interpretation Clarifying: (1) Authority of a Bank to Engage in Certain Cryptocurrency Activities; and (2) Authority of the OCC to Charter a National Trust Bank* (Nov. 18, 2021) <https://www.occ.gov/topics/charters-and-licensing/interpretations-and-actions/2021/int1179.pdf>.

<sup>4</sup> Interpretive Letter 1183.

<sup>5</sup> Office of the Comptroller of the Currency, Interpretive Letter 1170, *Authority of a National Bank to Provide Cryptocurrency Custody Services for Customers* at 5-8 (Jul. 22, 2020) <https://occ.gov/topics/charters-and-licensing/interpretations-and-actions/2020/int1170.pdf>.

<sup>6</sup> Office of the Comptroller of the Currency, Interpretive Letter 1172, *OCC Chief Counsel's Interpretation on National Bank and Federal Savings Association Authority to Hold Stablecoin Reserves* at 1-2, 5 (Sep. 21, 2020) <https://occ.gov/topics/charters-and-licensing/interpretations-and-actions/2020/int1172.pdf>.

<sup>7</sup> Office of the Comptroller of the Currency, Interpretive Letter 1174, *OCC Chief Counsel's Interpretation on National Bank and Federal Savings Association Authority to Use Independent Node Verification Networks and Stablecoins for Payment Activities* at 4 (Jan. 4, 2021) <https://occ.gov/news-issuances/news-releases/2021/nr-occ-2021-2a.pdf>.

<sup>8</sup> *Id.* at 6.

## Practices

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