FDIC

Federal Deposit Insurance Corporation
550 17th Street NW, Washington, D.C. 20429-9990

Financial Institution Letter
FIL-1-2023
January 5, 2023

Joint Statement on Crypto-Asset Risks to Banking Organizations

Summary: The Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency (collectively, the agencies) are issuing a joint statement on crypto-asset risks to banking organizations.

Statement of Applicability: The contents of, and material referenced in, this FIL apply to all FDIC-supervised financial institutions.

Related Topics:
Digital Assets
Fintech
Third-Party Relationships

Attachments:

[Standards for Safety and Soundness, Section 39 of the Federal Deposit Insurance Act 12 U.S.C. 1831p--1(a), 12 CFR Part 364]

[FDIC Statement on Providing Banking Services]

[Notification of Engaging in Crypto-Related Activities]

[Joint Statement on Crypto-Asset Risks to Banking Organizations (PDF)]

[FDIC Advisory to FDIC-Insured Institutions Regarding FDIC Deposit Insurance and Dealings with Crypto Companies (Financial Institution Letter-35-2022) (PDF)]

Contacts:
[Division of Depositor and Consumer Protection]

Note:

Highlights:

- Events of the past year have been marked by significant volatility and the exposure of vulnerabilities in the crypto-asset sector.
- These events highlight a number of key risks associated with crypto-assets and crypto-asset sector participants that banking organizations should be aware of.
- Banking organizations are neither prohibited nor discouraged from providing banking services to customers of any specific class or type, as permitted by law or regulation.
- The agencies are continuing to assess whether or how current and proposed crypto-asset-related activities by banking organizations can be conducted in a manner that adequately addresses safety and soundness, consumer protection, legal permissibility, and compliance with applicable laws and regulations, including anti-money laundering and illicit finance statutes and rules.
- Issuing or holding as principal crypto-assets that are issued, stored, or transferred on an open, public, and/or decentralized network, or similar system is highly likely to be inconsistent with safe and sound banking practices.
- Business models that are concentrated in crypto-asset-related activities or have concentrated exposures to the crypto-asset sector raise significant safety and soundness concerns.
- The agencies will continue to closely monitor crypto-asset-related exposures of banking organizations. As warranted, the agencies will issue additional statements related to engagement by banking organizations in crypto-asset-related activities.
- FDIC-supervised institutions that intend to engage in, or that are currently engaged in, any activities involving or related to crypto-assets are reminded that they are requested to notify the FDIC (see FIL-16-2022).

INACTIVE