

OCC Issues Interpretive Letter to Clarify Authority of Banks to Engage in Crypto-asset Activities

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On March 7, 2025, the Office of the Comptroller of the Currency (the “OCC”) issued [Interpretive Letter 1183](#), rescinding [Interpretive Letter 1179](#) that the OCC has determined to be “no longer necessary” based on its supervisory experience since the letter’s issuance in November 2021. As a result of the rescission, national banks and federal savings associations (together, “banks”) may engage in certain crypto-asset activities without first obtaining written supervisory non-objection,¹ a requirement explicitly imposed under Interpretive Letter 1179. The OCC stated that the rescission “is intended to reduce burden, encourage responsible innovation, and enhance transparency” and “will also ensure that bank activities will be treated consistently, regardless of the underlying technology.”

To put this development in perspective, the rescinded Interpretive Letter 1179 was issued in the wake of three OCC interpretive letters, [Interpretive Letter 1170](#), [Interpretive Letter 1172](#), and [Interpretive](#)

¹ In Interpretive Letter 1170 and Interpretive Letter 1174, the OCC indicated that banks should consult with OCC supervisors, as appropriate, prior to engaging in the relevant activities.

[Letter 1174](#), that permit banks to engage in certain crypto-asset activities (the “Crypto-asset Activities Letters”). Interpretive Letter 1179, issued under a then new leadership of the OCC,² stated that a bank “should not engage in the activities until it receives written notification of the supervisory office’s non-objection,” and that “a proposed activity is not legally permissible if the bank lacks the capacity to conduct the activity in a safe and sound manner.” Interpretive Letter 1179 explained the process by which a bank may demonstrate that it will engage in the activities in a safe and sound manner, including that, before engaging in the activities addressed in the Crypto-asset Activities Letters, a bank should notify its supervisory office, in writing, of the proposed activities and should receive written notification of the supervisory non-objection. With Interpretive Letter 1179 now rescinded and the reaffirmation by the OCC in Interpretive Letter 1183 that the crypto-asset activities discussed in the Crypto-asset Activities Letters are permissible, banks may join other market participants such as state-chartered entities in such crypto-asset activities. Banks must conduct all crypto-asset activities in a safe, sound, and fair manner and in compliance with applicable law. The OCC will examine the activities described in the Crypto-asset Activities Letters as part of its ongoing supervisory process.

For example, the crypto-asset activities discussed in the Crypto-asset Activities Letters include cryptocurrency³ custody services provided by banks on behalf of customers. The OCC permits banks to provide cryptocurrency custody services in both non-fiduciary and fiduciary capacities. Banks may provide safekeeping for the cryptographic key that allows for control and transfer of the customer’s cryptocurrency. Banks may also perform, provide, or deliver through electronic means and facilities any activities that they are otherwise authorized to perform, provide, or deliver, subject to applicable OCC rules and guidance. The services banks may provide in relation to the cryptocurrency they custody may include services such as facilitating the customer’s cryptocurrency and fiat currency exchange transactions, transaction settlement, trade execution, recording keeping, valuation, tax services, reporting, or other appropriate custodial services. A bank acting as custodian may engage a sub-custodian for cryptocurrencies it holds on behalf of customers. A bank holding cryptocurrencies in a fiduciary capacity has the authority⁴ to manage the cryptocurrencies in the same way banks can manage other assets they hold as fiduciaries.

Interpretive Letter 1183, by rescinding the prior supervisory non-objection requirement with respect to permissible crypto-asset activities discussed in the Crypto-asset Activities Letters, could broaden the

² The Crypto-asset Activities Letters were issued under Acting Comptroller of the Currency Brian P. Brooks. Mr. Brooks served as Acting Comptroller of the Currency from May 29, 2020 until January 14, 2021. Interpretive Letter 1179 was issued under Acting Comptroller of the Currency Michael J. Hsu. Mr. Hsu served as Acting Comptroller of the Currency from May 10, 2021 until February 10, 2025.

³ For purposes of Interpretive Letter 1170, the term “cryptocurrency” also encompasses digital assets that are not broadly used as currencies.

⁴ Only banks with fiduciary or trust powers may provide services in a fiduciary capacity. To the extent that a bank with fiduciary or trust powers conducts cryptocurrency custody activities in a fiduciary capacity, such activities would be permissible if conducted in compliance with applicable laws.

range of banks interested in engaging in such activities and facilitate activities by other crypto-asset market participants such as investment advisers⁵ and other intermediaries.

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⁵ Willkie Article, published by *Law360: SEC Custody Rule Creates Crypto Compliance Conundrum* at <https://www.willkie.com/-/media/files/publications/2024/12/law360---sec-custody-rule-creates-crypto-compliance-conundrum.pdf>.