

Alert | Financial Regulatory & Compliance/ Blockchain



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US Federal Banking Regulators Release Joint Statement on ‘Crypto-Asset Policy Sprint Initiative’

On Nov. 23, 2021, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency issued a **joint statement** summarizing a new “Crypto-Asset Policy Sprint Initiative.” The initiative sets forth the agencies’ goals to establish uniform standards for regulating crypto-asset transactions involving U.S. banking organizations. To that end, the initiative previews that, in 2022, the agencies will:

- develop a commonly understood vocabulary using consistent terms regarding the use of crypto-assets by banking organizations;
- identify and assess key risks related to consumer protection, safety and soundness, and compliance; and
- analyze the applicability of existing regulations and guidance to identify areas that may benefit from additional clarification.

The initiative promises that further clarity is forthcoming on:

- crypto-asset safekeeping and traditional custody services;
- ancillary custody services;
- facilitation of customer purchases and sales of crypto-assets;

- loans collateralized by crypto-assets;
- issuance and distribution of stablecoins; and
- activities involving the holding of crypto-assets on-balance sheet items.

According to the statement, the agencies' efforts to provide greater regulatory clarity may include guidance on staking, facilitating crypto-lending, and distributed technology governance services.

In addition, the agencies will evaluate how existing banking standards—like bank capital and liquidity standards—will apply to crypto-asset activities involving U.S. bank organizations.

The Joint Statement was published just a few weeks after the release on the Presidential Working Group Report on Stablecoins, which recommended that the U.S. Congress take prompt action to address regulatory gaps in the stablecoin market and, in the absence of such legislative action, that the U.S. federal bank regulatory agencies use their existing regulatory authorities to regulate the stablecoin market. *See Nov. 23 GT Alert*. Further guidance is anticipated in 2022 from the agencies on U.S. banking organizations' activities with digital assets.

Authors

This GT Alert was prepared by:

- **Carl A. Fornaris** | +1 305.579.0626 | fornarisc@gtlaw.com
- **William B. Mack** | +1 212.801.2230 | mackw@gtlaw.com
- **Kristin L. O'Carroll** | +1 415.655.1257 | ocarrollK@gtlaw.com

Additional contacts:

- **Barbara A. Jones** | +1 310.586.773 | jonesb@gtlaw.com
- **David I. Miller** | +1 212.801.9205 | david.miller@gtlaw.com
- **William E. Turner II** | +1.312.476.5129 | turnerwi@gtlaw.com
- **Marina Olman-Pal** | +1 305.579.0779 | olmanm@gtlaw.com

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