

OCC Confirms Banks Authority to Offer Crypto Custody and Execution Services

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On May 7, the OCC issued [Interpretive Letter 1184](#), reaffirming that national banks and federal savings associations may provide cryptocurrency custody and execution services, including through sub-custodians. The OCC confirmed that these activities are permissible under existing banking authority so long as banks comply with applicable law and engage in safe and sound practices.

The letter builds upon earlier OCC guidance, including Interpretive Letters [1170](#) and [1183](#). Specifically, the OCC clarified the following:

- Execution of crypto trades at customer direction is permissible. Banks may buy and sell crypto-assets held in custody or on behalf of customers, so long as the transactions are executed at the customer's direction and in accordance with the customer agreement.
- Outsourcing to third parties is allowed with appropriate oversight. Banks may engage sub-custodians and outsource custody or execution functions, provided they maintain robust third-party oversight practices and ensure proper internal controls are in place.
- Crypto custody remains a modern extension of traditional bank custodial services. The OCC reiterated its position that holding crypto-assets is functionally similar to traditional custody services, which fall within banks' statutory authority.
- Fiduciary activities must follow applicable regulations. When acting in a fiduciary capacity, national banks must comply with 12 C.F.R. Part 9 or Part 150 for federal savings associations, including rules on the custody and control of fiduciary assets.

Putting It Into Practice: The OCC's latest guidance offers banks further regulatory clarity in connection with crypto-related services (previously discussed [here](#) and [here](#)). Banks considering entry into the digital asset space should track these regulatory shifts closely and ensure their compliance, risk management, and third-party oversight frameworks are equipped to support crypto operations.

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