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## **FDIC Allows U.S. Banks to Engage in Crypto-Related Activities without Prior Regulatory Approval**

On March 28, 2025, the Federal Deposit Insurance Corporation ("FDIC"), the U.S. bank supervisory regulator, issued Financial Institution Letter FIL-7-2025, clarifying and liberalizing the process and conditions for U.S.-regulated banks to engage in cryptocurrency and digital token-related activities. Although issued with little fanfare, FIL-7-2025 is literally an earthquake in the U.S. crypto/digital asset market. The FDIC policy statement is another indication of a liberalizing crypto/digital token regulatory regime under the Trump administration. A copy of FIL-7-2025 can be found [Here](#).

FIL-7-2025 rescinds a prior Financial Institution Letter, FIL-16-2022, which established a prior notification regime for U.S. banks to engage in crypto/digital token-related activity and which in practice crippled the ability of U.S. banks to respond quickly to the rapidly changing crypto/digital token environment, whether as principal or in support of crypto issuers, funds, brokers or traders. FIL-7-2025 expressly permits U.S. banks to engage in crypto/digital asset activities without prior regulatory approval, provided they take appropriate measures to manage associated risks. In particular, FIL-7-2025 establishes that permitted crypto-related activities for which no prior regulatory approval is required include:

- acting as crypto-asset custodians;
- maintaining stablecoin reserves;
- issuing crypto- and other digital assets;
- acting as market makers or exchange or redemption agents;

- participating in blockchain- or distributed ledger-based settlement or payment systems; and
- related activities such as finding and lending.

We have predicted a substantial easing of the cryptocurrency/digital token regulatory regime under the new Trump Administration and 119th Congress. See **["Cryptocurrency and Digital Asset Regulation in the Second Trump Administration: What to Expect and How to Prepare"](#)** (November 2024) and **["Forming Crypto/Digital Asset Funds Using Wyoming DAO/Blockchain and U.S. Securities Laws"](#)** (January 2025), available, with other resources, at **[Kurtin PLLC Information Technologies, Blockchain & Internet](#)**.

**Yield:** the FDIC action makes it possible for U.S. regulated banks to engage in a full range of Crypto/Digital Asset activity without incurring the risk or the delay of prior regulatory approval. A bank can immediately start any of the stated activities and others not expressly state but implied by the FDIC action. That includes existing banks, newly-formed banks, new U.S. subsidiaries of non-U.S. banks and other banking structures. Under the new policy as well, regulated banks can perform a full range of banking services for a crypto/digital asset fund or issuer. For example, a European bank or sponsor could buy or form a U.S. bank, create a Wyoming DAO LLC fund, and issue cryptocurrency, whether stablecoins or other types of crypto, use the bank to hold the stablecoin or cryptocurrency reserves, ensuring their value, liquidity and lack of volatility and provide banking services for the fund. The possibilities are endless.

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