U.S. Office of the Comptroller of the Currency Report

The OCC is a federal bank regulator, not a blockchain startup. But they *do* have a very important and growing role in shaping how banks participate in the crypto ecosystem.

What Is the OCC?

1. **Role & Mission**
    a. The **Office of the Comptroller of the Currency (OCC)** is an independent bureau within the U.S. Department of the Treasury. (Forbes)
    b. Its primary function is to charter, regulate, and supervise **national banks** and **federal savings associations**. (Forbes)
    c. The OCC ensures that these institutions operate in a "safe and sound" manner, comply with applicable laws, and treat customers fairly.
2. **Leadership**
    a. As of early 2025, the Acting Comptroller is **Rodney E. Hood**. (Wikipedia)
    b. Under his leadership, the OCC has taken a more innovation-friendly stance toward cryptocurrency. (Forbes)

OCC's Involvement in Cryptocurrency

While the OCC is not a crypto business, its policy decisions significantly influence how traditional financial institutions can interact with cryptocurrencies. Here's what they've done, especially more recently:

1. **Permissibility of Crypto Activities**
    a. In **March 2025**, the OCC issued **Interpretive Letter 1183**: it *affirmed* that a number of crypto-asset-related activities are legally permissible for national banks and federal savings associations. (OCC.gov)
    b. These activities include:
        i. **Custody of crypto-assets** (i.e., banks holding crypto on behalf of customers). (OCC.gov)

    ii. **Participation in independent node verification networks (blockchain networks)** — effectively, banks can run nodes. (OCC.gov)
    iii. **Certain stablecoin activities.** (OCC.gov)
  c. Importantly, the OCC **rescinded** its previous requirement that banks obtain *supervisory nonobjection* (i.e., prior approval) to engage in these activities. (OCC.gov)
  d. It also withdrew from prior joint statements (with the Fed and FDIC) that had cautioned banks on crypto's risks. (Jones Day)

2. **Crypto-Asset Custody & Execution Services**
  a. In **May 2025**, the OCC clarified (via **Interpretive Letter 1184**) that banks may:
    i. Buy and sell assets held in custody if directed by customers. (OCC.gov)
    ii. Outsource custody and execution services to third parties, *as long as* they maintain strong third-party risk management. (OCC.gov)
  b. These clarifications give banks more flexibility in how they provide crypto services, reducing some barriers to entry. (OCC.gov)

3. **Paying Blockchain Network Fees ("Gas Fees")**
  a. In **November 2025**, the OCC issued **Interpretive Letter 1186**, which confirms that national banks may **hold crypto on their own balance sheet** to pay for network fees (gas) on blockchain platforms. (OCC.gov)
  b. It also allows banks to hold crypto for **testing internal or third-party crypto platforms**. (OCC.gov)
  c. These holdings must be "reasonably foreseeable" and done in a "safe and sound" way under applicable laws. (OCC.gov)
  d. This is a significant step: rather than always relying on external providers or conversion, banks can more directly integrate with blockchain operations.

4. **Stablecoin Reserves**
  a. The OCC had previously issued interpretive letters (e.g., Interpretive Letter 1172) about banks holding reserve assets for stablecoins. (Jones Day)
  b. Under the newer framework, banks are more clearly empowered to hold these reserves as part of engaging safely with stablecoin issuers.

Why This Matters — OCC's Impact on the Crypto Industry

1. **Bridging Traditional Banking and Crypto**
    a. By clarifying and loosening some restrictions, the OCC is enabling more **traditional banks** to offer crypto services. This bridges the gap between the legacy financial system and the digital-asset ecosystem.
    b. As banks offer custody, execution, stablecoin-related services, and even run blockchain nodes, it helps institutionalize crypto and provide legitimacy.
2. **Lowering Barriers to Entry**
    a. Removing the need for prior non-objection means banks don't have to go through as many regulatory hoops just to *start* engaging in crypto services. That could lead to more banks entering the space. (Forbes)
    b. This shift encourages innovation but still expects strong risk-management controls.
3. **Regulatory Signaling**
    a. The OCC's stance is a signal that **federal banking regulators** are increasingly open to digital assets as part of mainstream finance. That could influence how other regulators (like the FDIC or even state banking regulators) think about crypto.
    b. It may also encourage more crypto-native firms to apply for **national trust bank charters**, enabling them to operate under a regulated banking framework. (For example, firms like Coinbase or Circle are interested in these sorts of charters.) (ICBA.org)
4. **Risk Management and Safety**
    a. Even as the OCC eases restrictions, they emphasize that banks must still conduct crypto activities "in a safe and sound manner." (OCC.gov)
    b. By formally allowing custody and gas-fee holdings, the OCC is not ignoring risk; it's integrating crypto into the risk framework banks already operate under.
5. **Potential Economic Innovation**
    a. Banks acting more natively in crypto could accelerate financial innovation: faster payments, more efficient stablecoin infrastructure, improved integration between DeFi-style services and regulated finance.
    b. This could support broader adoption of digital assets, especially among institutional clients who prefer regulated custodial frameworks.
6. **Regulatory Tension**

a. The shift also creates potential tension: while the OCC is taking a more permissive approach, **other regulators** (like the FDIC or Fed) may not move as quickly. (Jones Day)
b. There is also political and industry pushback: for example, the **Independent Community Bankers of America (ICBA)** has urged the OCC to deny Coinbase's application for a national trust bank charter. (ICBA.org)
c. This means the regulatory landscape remains dynamic, and firms navigating this space need to carefully manage compliance, risk, and business strategy.

Key Risks & Challenges

While the OCC's move is broadly positive for crypto integration, there are non-trivial risks and challenges:

- **Operational risk**: Custody of crypto is inherently different from traditional assets. Banks will need to build or partner for secure key management.
- **Liquidity risk**: Stablecoin and crypto markets can be volatile. Even with reserve frameworks, managing liquidity and reserve adequacy is complex.
- **Regulatory uncertainty across agencies**: With different regulators having different stances, banks may face inconsistent expectations.
- **Reputation risk**: As banks engage in crypto, they may face reputational risks from customers or oversight bodies if something goes wrong.
- **Technology risk**: Participation in blockchain networks or holding crypto for gas means banks need to understand the tech deeply—and safely.

Overall Assessment

- The **OCC** is not a crypto company, but it is *one of the most influential U.S. financial regulators* when it comes to enabling banks to operate in the crypto space.
- Through recent interpretive letters (especially in 2025), the OCC has **broadened the permissible crypto activities** for national banks, including custody, stablecoin operations, node participation, and holding crypto for network fees.

- These changes reduce regulatory friction for banks and signal a more innovation-friendly posture toward digital assets — but with an emphasis on sound risk management.
- The OCC's actions could accelerate the convergence of traditional banking and crypto infrastructure, supporting greater institutional adoption of crypto.
- At the same time, this increased involvement brings important risks (operational, liquidity, regulatory) that banks will need to manage carefully.

OCC Citation List

1. Office of the Comptroller of the Currency. *OCC Clarifies Bank Authority to Engage in Certain Cryptocurrency Activities (News Release 2025-16)*. March 7, 2025. (OCC.gov)
2. Office of the Comptroller of the Currency. *Interpretive Letter 1183: Crypto-Asset Activities*. March 2025.
3. Office of the Comptroller of the Currency. *OCC Clarifies Bank Authority to Engage in Crypto-Asset Custody and Execution Services (News Release 2025-42)*. May 7, 2025. (OCC.gov)
4. Office of the Comptroller of the Currency. *Interpretive Letter 1184: Clarification on Crypto-Asset Custody Services*. May 2025.
5. Office of the Comptroller of the Currency. *OCC Confirms Bank Authority to Hold Certain Crypto-Assets as Principal for Purposes of Paying Network Fees (News Release 2025-108)*. November 18, 2025. (OCC.gov)
6. Office of the Comptroller of the Currency; Federal Reserve Board; FDIC. *Joint Statement on Risk-Management Considerations for Crypto-Asset Safekeeping*. July 14, 2025. (OCC.gov)
7. Office of the Comptroller of the Currency. *Summary of Interpretive Letter 1179 Requests*. OCC. (OCC.gov)
8. Office of the Comptroller of the Currency. *Semiannual Risk Perspective – Spring 2025*. OCC. (OCC.gov)

9. For context & analysis: Forbes. “OCC’s New Guidance Marks Shift in U.S. Crypto Banking Regulations.” Becca Bratcher, March 2025. (Forbes)
10. PwC. “Our Take: Financial Services Regulatory Update – March 7, 2025.” PwC Financial Services. (PwC)