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Banks Face Regulatory Reality in Crypto Safekeeping

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In a significant move that underscores the complexities of entering the digital asset sector, U.S. federal banking agencies issued a Joint Statement on July 14, 2025, regulatory expectations for banks involved in crypto-asset custody services.. The message is clear: the business of holding digital assets is no longer experimental; it now requires formal structure, enhanced security, and clear legal accountability.

The Joint Statement, released by the Office of the Comptroller of the Currency (OCC), the Federal Reserve Board (FRB), and the Federal Deposit Insurance Corporation (FDIC), aims to offer consistent regulatory direction. It defines *crypto-asset safekeeping* as the act of holding digital assets secured by cryptographic keys, on behalf of clients. While it asserts no new rules were created, the agencies highlight the necessity of adhering to established risk management practices already expected in traditional banking, but now applied to a much more volatile and complex environment.

Notably, the regulators describe crypto-asset safekeeping as “complex” and involving a “potentially unfamiliar asset class.” That caveat speaks volumes: banks cannot assume that legacy systems or conventional strategies will suffice. Institutions must commit to enhanced compliance, cybersecurity, and operational preparedness. The risks are considerable; if cryptographic keys are lost or compromised, Banks may still be held liable for losses, even when third-party custodians are involved. This raises the bar for internal protocols and due diligence.

The Joint Statement also acknowledges that there’s no clear industry consensus on what constitutes “leading practices” in this space. Unlike securities or fiat custodianship, the framework for digital assets is still taking shape. Therefore, any bank stepping into this territory must invest in developing its high standards until national guidelines are more fully formed.

This clarification follows recent changes in regulatory policy. where prior crypto guidance issued under the previous administration was revised in 2025. This reset, welcomed by parts of the financial sector, Signals a more structured and compliance-focused approach to digital asset regulation

In essence, regulators aren’t closing the door on crypto, far from it. They are, however, putting banks on notice: crypto safekeeping is not a shortcut to profitability. It requires deep understanding, careful planning, and a strong commitment to safeguarding digital assets and client confidence. As more institutions eye the digital economy, this regulatory message marks a pivotal turning point, one that favors those who take the rules seriously and respect the gravity of holding digital wealth.