

Fed Considers Letting Staff Invest in Crypto

August 20, 2025

— Categories: *Crypto*



[Download IPFS](#)

The Federal Reserve is exploring a change in its long-standing restrictions on staff investments in cryptocurrency, signaling a shift toward greater familiarity with digital assets among the U.S. central bank's workforce.

Michelle Bowman, the Fed's vice chair for supervision, said Tuesday at the Wyoming Blockchain Symposium that regulators should allow employees to hold small amounts of crypto to gain "a working understanding of the underlying functionality." Currently, most Fed

staffers and their spouses are prohibited from owning cryptocurrencies or related products, such as exchange-traded funds (ETFs) and shares in crypto companies.

“We will soon be establishing a framework for supervising issuers of these assets,” Bowman added, emphasizing the importance of first-hand knowledge as the central bank develops oversight guidelines.

The current investment restrictions were tightened in early 2022 after an internal review revealed unusual trading activity among three top Fed officials in 2020, during the early stages of the COVID-19 pandemic. At the time, the Fed was actively taking measures to stabilize the U.S. economy.

Bowman highlighted that easing the rules could improve recruitment and retention of employees with the expertise needed to evaluate crypto and blockchain technologies. “These restrictions may be a barrier to recruiting and retaining examiners with the necessary expertise,” she said, noting that allowing small personal investments could also help current staff better understand emerging financial technology.

The Fed official called for a more open mindset among regulators, saying, “Bank regulators have been overly cautious. We must recognize the utility and necessity of embracing technology in the traditional financial sector.” Bowman stressed that blockchain has the potential to transform banking operations regardless of regulatory responses.

She added that the Fed faces a choice: embrace new technology and create a robust regulatory framework, ensuring safety while taking advantage of efficiency and speed, or risk being bypassed by innovations in the financial sector. Bowman acknowledged potential risks in adopting new technology but suggested they can be assessed and managed against the significant benefits.

These remarks come amid broader moves by regulators to engage more closely with the crypto industry. Last week, the Federal Reserve announced it would end a supervision program targeting crypto and blockchain-related activities by banks, initially established in 2023 under the Biden administration.

Additionally, former President Donald Trump signed an executive order directing banking regulators to investigate claims from the crypto sector regarding “debanking” of certain

customers, reflecting continued interest in integrating crypto oversight with broader financial regulations.

While Bowman did not specify which crypto products or investment amounts would be permitted for Fed staff, her comments indicate a shift toward balancing oversight with practical engagement in the evolving digital asset landscape.

This potential policy adjustment aligns with ongoing efforts to modernize financial regulation while ensuring the central bank's employees remain well-informed about technological developments shaping the industry.