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Banking Agencies Issue Joint Statement on Crypto-related Liquidity Risks



By **Daniel Meade**
Partner | Financial Regulation



By **Mercedes Kelley Tunstall**
Partner | Financial Regulation

Earlier today, the Federal Reserve Board (“FRB”), Federal Deposit Insurance Corporation (“FDIC”) and Office of the Comptroller of the Currency (“OCC”) issued a [“Joint Statement on Liquidity Risks to Banking Organizations Resulting from Crypto-Asset Market Vulnerabilities.”](#)

The joint statement points out the recent liquidity risks that crypto-asset-related entities have presented. The statement notes that “certain sources of funding from crypto-asset-related entities may pose heightened liquidity risks to banking organizations due to the unpredictability of the scale and timing of deposit inflows and outflows.”

The statement went on to remind banking organizations of risk management tools that may be effective to actively monitor such risks. The agencies made sure to note that the statement “does not create new risk management principles ... [and that] [b]anking organizations are neither prohibited nor discouraged from providing banking services to customers of any specific class or type, as permitted by law or regulation.”
