

FinReg Round-Up

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Another new year is well underway as financial regulators issue new guidance and signal policy concerns. In this installment of the FinReg Round-Up, we spotlight bank regulators' guidance on high-risk areas for banks that handle crypto assets. The Financial Crimes Enforcement Network is seeking to establish standards for financial and government entities to access certain beneficial ownership information. In addition, the Federal Reserve Board plans to treat the uninsured and insured banks it supervises equally in certain areas, including crypto-asset activities.

Federal Bank Regulators Identify High-Risk Areas for Crypto-Asset Sector

Three federal bank regulatory agencies identified eight high-risk areas for banking organizations in the crypto-asset sector. The risks include fraud and scams among crypto-asset sector participants; legal uncertainties related to custody practices, redemptions and ownership rights; risk management and governance practices with a lack of maturity and robustness; and open, public and/



The U.S. Supreme Court's decision to grant review of the Fifth Circuit's landmark ruling that the source of funding for the Consumer Financial Protection Bureau (CFPB) is unconstitutional threatens (once again) the continued existence of the federal consumer finance regulator. The ultimate decision on the issue in *Consumer Financial Protection Bureau v. Community Financial Services Association of America Ltd.* won't happen until the Court's next term, however, since the Court declined to consider the case on an expedited basis.

or decentralized networks. The Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation and the Office of the Comptroller of the Currency said in a [joint statement](#) issued Jan. 3 that they will continue to closely monitor banking organizations' crypto-asset-related exposures and issue statements as needed.

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FinCEN Issues Proposed Rule To Establish BOI Access and Security Standards

The Financial Crimes Enforcement Network (FinCEN) issued a [notice of proposed rulemaking](#) to establish standards for financial institutions and government entities to access beneficial ownership information (BOI) reported to FinCEN. The proposed rule would implement BOI access and safeguard provisions of the Corporate Transparency Act (CTA), enacted as part of the

Anti-Money Laundering Act of 2020. The regulations would implement strict security and confidentiality protocols required by the CTA and establish who may request BOI to be reported to FinCEN, how recipients may use the information, and the penalties for failing to follow the requirements, according to the Dec. 15, 2022, notice. Read more about the FinCEN's final rules [here](#).

Federal Reserve Board Policy Promotes Equal Treatment of Uninsured and Insured Banks

The Federal Reserve Board is seeking to level the playing field for all banks with a federal supervisor, regardless of deposit insurance status. Uninsured and insured banks supervised by the board will be subject to the same limitations imposed on novel banking activities, such as crypto-asset-related activities, it said in a Jan. 27

[policy statement](#). Such banks will also be subject to the limitations on certain activities imposed on national banks, which are overseen by the Office of the Comptroller of the Currency. The statement took effect upon its [publication in the Federal Register on Feb. 7](#).

Related Professional

Anthony Pirraglia apirraglia@loeb.com

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