

Federal Deposit Insurance Corporation

Division of Risk Management Supervision
Division of Depositor and Consumer Protection
300 South Riverside Plaza, Suite 1700, Chicago, IL 60606

Chicago Regional Office
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December 23, 2022

Board of	Directors			
·	1,b38			
Subject:	Third-Party Cr	ypto-Asset Activity		
Dear Mer	nbers of the Boa	rd:		
Crypto-Resubmitted submitted programn the Bank' activities.	l a notification of hing interface (A land EVP be As discussed d	on September 12, 2022, f the Bank's intent to work PI) that would allow cust platform. Case Manage on November 22, uring the call, the Bank h	Execurk with tomers 2022, as created	16-2022, Notification of Engaging in ative Vice President (EVP) b4,b8 h b4,b8 to develop an application s to buy, sell, and hold crypto assets through also held a discussion with CEO regarding the proposed crypto-related ated test accounts to assist b4,b8 in API his type of service to customers.
allow the implication information developed Once the additional	FDIC to assess tons of crypto-relation in the attached, include the state FDIC has complainted information is responsible.	the safety and soundness, ated activities. According d list by January 23, 2023 tus and timeline for develeted its review of the requested sary to complete the	consugly, the loping uested review	institutions provide information necessary to umer protection, and financial stability he FDIC requests the Bank provide the he requested information has not yet been g each item in the response, as applicable. Information, we will determine whether w of the activity. When we have completed levant supervisory feedback, as appropriate.
of the FD Case Mar b6,k Regional	IC Rules and Renager b8 Written Office, and sent	gulations (12 CFR part 3 at b6,b8 or correspondence should be as a PDF document through	09). If Region	made public in any manner under part 309 If you have any questions, please contact onal Examination Specialist essed to my attention at the Chicago e FDIC's Secure Email portal CHIMailRoom@fdic.gov.
				Sincerely, Gregory P. Bottone Regional Director
Enclosure	e – Crypto-Asset	Activity Request List		
cc:		b8		

Crypto-Asset Activity Request List

- 1. Risk assessment of the planned activities.
- 2. Documentation of Board and committee discussions and/or approvals.
- 3. Information on which entities will perform trade execution and custody.
- 4. Due diligence performed on all third parties involved.
- 5. Written agreements or contracts with **b4,b8**, any crypto asset exchange, and crypto asset custodian, as well as any documentation noting the Bank's contract review.
- 6. If not detailed in contracts, details regarding costs and fees associated with the project.
- 7. Any policies governing these activities and development activities, including any new or draft policies or procedures.
- 8. Detailed description of the bank's involvement and role in development and testing.
- 9. Detailed description of the nature of the test accounts, their location within the Bank's IT environment, supporting controls, which users will perform testing, whether customers will be included in testing, and any transactions executed through these accounts.
- 10. Description of any third party's role in development and testing.
- 11. Detailed description of connectivity to bank systems, including data flows to/from banks systems and any third parties. Detail the information or functionality being leveraged by the API, including read and write functions.
- 12. Description on how funds would flow between various third parties.
- 13. Project plan and relevant project management documentation. Include detailed description and information on what is being developed, development progress, and expected completion date.
- 14. Bank policies and procedures to assess development measures (such as secure design, static and/or dynamic code scanning, quality assurance, and testing) and API configurations.
- 15. Description of how APIs are included in the bank's security framework.
- 16. Any documentation to support how the Board or committee monitors the project's budget and schedule.
- 17. A description of how the product/service would be made available to customers (e.g. through the bank's mobile application/online banking platform or through a customer interface with **b4,b8** and whether and how customers or customer funds are or will be involved in test accounts and testing.
- 18. Drafts of any disclosures that will be provided to customers relating to the activity and plans on where/when disclosures will be presented to customers.