

Conditional Approval #1356
January 2026

December 12, 2025

Mr. Kevin Murphy
Assistant General Counsel
Circle Internet Financial, LLC
1 Lincoln Street, Suite 31-113
Boston, MA 02111

Re: Application to Charter First National Digital Currency Bank, National Association, New York, New York (Proposed) and Request to Waive Residency Requirements (collectively, Application)
OCC Control Number 2025-Charter-342299
OCC Control Number 2025-Waiver-342964
Proposed Charter Number: 25361

Dear Mr. Murphy:

The Office of the Comptroller of the Currency (OCC) has reviewed your Application to establish a new national trust bank, which will engage in operations of a trust company and activities related thereto, including fiduciary activities, with the title of First National Digital Currency Bank, National Association, New York, New York (Bank). The OCC hereby grants preliminary conditional approval of your charter application upon determining that your proposal meets certain regulatory and policy requirements.¹

This preliminary conditional approval is granted based on a thorough evaluation of all information available to the OCC, including the representations and commitments made in the Application and by the Bank's representatives. The OCC also made its decision to grant preliminary conditional approval with the understanding that the proposed Bank will apply for stock in a Federal Reserve Bank in accordance with 12 USC 222.²

The OCC has granted preliminary conditional approval only. Final approval and authorization pursuant to 12 USC 27(a) for the Bank to commence business will not be granted until all preopening requirements are met. Until final approval is granted, the OCC has the right to modify, suspend, or rescind this preliminary conditional approval should the OCC deem any interim development to warrant such action.

¹ The OCC also grants the request to waive the director residency requirement for three out of five directors.

² See also 12 CFR 209.2.

Proposed Bank

Circle Internet Holdings, Inc., New York, New York (Circle Holdings) is the direct holding company of the Bank. Founded in 2013, Circle Holdings, a corporation incorporated in the State of Delaware, is a wholly owned subsidiary of Circle Internet Group, Inc. (Circle Group), a corporation incorporated in the State of Delaware and the top-tier holding company of the Circle entities. Circle Group, a publicly-traded company, issues USDC, a U.S. dollar (USD) denominated stablecoin that enables the storage and transfer of value. USDC is one of the largest USD-denominated stablecoins worldwide. Today, USDC is issued by Circle Internet Financial, LLC, under money transmitter licenses and similar authorizations.

Circle Group has applied to the New York State Department of Financial Services for a New York limited purpose trust company. Once the limited purpose trust company is established, Circle Group plans to transition the responsibility for issuing USDC to the New York limited purpose trust company.

The Bank plans to provide services to the New York limited purpose trust company once established, including managing the reserves of liquid assets backing USDC issued by the New York limited purpose trust company (Reserve) on a directed basis and performing collateral trustee services for the benefit of USDC holders on a fiduciary basis. In addition, Bank plans to provide digital asset³ custody services for its affiliates on a fiduciary basis.

The OCC is authorized to charter national banks pursuant to the National Bank Act, 12 USC 21–27. In 1978, Congress specifically confirmed the OCC’s general authority to charter banks that limit their operations to those of a trust company.⁴ The operations of a trust company (*i.e.*, the operations of a trust department of a bank or a limited purpose trust company) typically include performing fiduciary activities, as well as other activities that may be non-fiduciary in nature, such as non-fiduciary custody and safekeeping activities.⁵ Custody and safekeeping activities are fully within the activities of both trust

³ This letter uses digital assets and crypto-assets or cryptocurrency interchangeably.

⁴ Congress amended the National Bank Act, 12 USC 27, to add this language in 1978. Financial Institutions Regulatory and Interest Rate Control Act of 1978, Pub. L. 95-630, § 1504, 92 Stat. 3641, 3713 (1978) (adding this sentence to what is now 12 USC 27(a)).

⁵ See OCC Interpretive Letter No. 1170 (July 22, 2020); OCC Interpretive Letter No. 1078 (Apr. 19, 2007); OCC Interpretive Letter No. 1176 (Jan. 11, 2021). In addition, as of September 30, 2025, OCC-supervised uninsured national trust banks reported a total of \$6.8 trillion in assets under administration. Of that total, \$1.6 trillion consisted of custody and safekeeping accounts, while total fiduciary accounts totaled \$5.2 trillion.

departments⁶ and limited purpose trust companies in 1978 and today.⁷ All of the Bank's proposed activities are trust company operations or activities related thereto and are permissible for a national bank under 12 USC 92a or 24(Seventh). The Bank proposes to perform collateral trustee and digital asset custody services, both in a fiduciary capacity, and provide separate reserve management services related to its trust or fiduciary activities that are permissible for a national bank. Accordingly, the formation of the Bank is authorized.⁸

Public Comments and Analysis

The OCC received seven comment letters: four comment letters from trade groups representing banks, one comment letter from a bank, one comment from a technology industry coalition, and one comment letter from a community group. Several of the comment letters discussed the OCC's authority to charter the Bank, asserting, among other things, that the proposed activities do not align with OCC precedent with respect to fiduciary activities conducted by national trust banks. The OCC is authorized to charter national banks pursuant to the National Bank Act, 12 USC 21-27. As explained herein, the proposed activities are permissible for a national trust bank.

Several of the commenters assert that the OCC and the Bank did not provide an appropriate amount of information or give a sufficient amount of time for the public to have an opportunity to meaningfully comment on the Application. The Bank filed all required publicly available information on a timely basis. In considering the Bank's

⁶ *Id.* See Letter from James. J. Saxon, Comptroller of the Currency, (June 25, 1963) ("safekeeping of the securities in the customer's portfolio and other custodian services, all of which will be performed by the bank's Trust Department in the usual case."). See also *Hearings before the House of Representatives Committee on Banking and Currency on H.R. 6778*, 91st Congress, Part 3 at 1056 (May 7, 8, and 9, 1969) (including proxy statement of Chase Manhattan Bank, N.A., from 1969 stating that it provided custody services in its trust department).

⁷ See, e.g., 1976 S.D. Sess. Laws. ch. 304 § 1(1), (2) 492 (creating South Dakota "trust company" charter for a "corporation" that sole purpose is the conduct of "trust business" and among the items defined as part of the trust business is acting as a custodian and holding property for safekeeping).

⁸ In 2003, the OCC amended 12 CFR 5.20(e)(1)(i) to address a subset of national bank, namely special purpose banks that conduct at least one of the "core banking functions." As evidenced by the 2003 rulemaking to amend 12 CFR 5.20(e)(1)(i) and the OCC's chartering and supervision of national trust banks, this amendment did not interpret or otherwise affect the OCC's longstanding authority to charter a national bank limited to operations of a trust company and activities related thereto under 12 USC 27(a). See 68 Fed. Reg. 71026 (Dec. 17, 2003).

identification of public information and request for confidential treatment of specific information pursuant to 12 CFR 5.9(c), the OCC followed its established policies and procedures. Although several commenters raised insufficiency of public information, they were nonetheless able to provide voluminous comments on the Application. The OCC has received sufficient information to make an informed decision regarding the Bank's Application, consistent with established agency policy and procedures, applying relevant statutory requirements and regulatory factors. Although the OCC did not formally extend its comment period, the OCC received some of the comments past the official comment period deadline, and the OCC has used its discretion to consider all comments received.

Several commenters discuss potential issues and arguments related to stablecoin issuance. However, the Bank will not issue stablecoins, so the issues and argument are irrelevant to the Application.

One commenter discusses whether the Bank may engage in brokerage activity for digital assets that are securities for purposes of Federal securities laws that would subject the Bank to registration requirements under the Securities Exchange Act of 1934⁹ or require exemption from registration under Regulation R.¹⁰ The Bank's proposed activities will generally not implicate the Securities Exchange Act of 1934 or require exemption from registration under Regulation R. The OCC will monitor for compliance, as applicable.

One commenter discusses potential affiliate transaction issues. The OCC has reviewed the Application for compliance with relevant law and regulation, including sections 23A and 23B of the Federal Reserve Act and Regulation W¹¹ and found the Application met the relevant factors for approval.

One commenter discusses the history of enforcement actions for the Bank's affiliates. To the extent that deficiencies underlying enforcement actions discussed by the commenter relate to the planned activities of the Bank, the relationship is attenuated and would be best evaluated as part of the supervisory process. Many of the actions discussed are no longer being actively pursued.

Several commenters discuss that the Community Reinvestment Act or Community Reinvestment Act-like requirements should apply to stablecoin issuers;¹² however, (1) the Bank will not be a stablecoin issuer and (2) the Community Reinvestment Act is not applicable to this Application as a matter of law. The Community Reinvestment Act applies to regulated financial institutions, and regulated financial institutions is defined in

⁹ 15 USC 78a *et seq.*

¹⁰ 17 CFR 247.

¹¹ 12 USC 371c, c-1, and 12 CFR 223.

¹² 12 USC 2901 *et seq.*

12 USC 2902(2) to mean an insured depository institution as defined in 12 USC 1813. Insured depository institution means any bank or savings association the deposits of which are insured by the Federal Deposit Insurance Corporation (FDIC).¹³ The Bank will not be an insured depository institution. Whether Community Reinvestment Act-like requirements should apply to stablecoin issuers, or to the Bank, is not relevant to the factors the OCC may consider for approval.

Commenters raise other issues pertaining to the OCC's ability to appropriately supervise the Bank or broader policy concerns. Specific arguments relate to (1) "unsavory actors" gaining access to the banking system and providing payments services, (2) the OCC's ability to resolve certain applicants in instances of failure, (3) criticisms of the current cryptocurrency and stablecoin framework and insufficiencies related to potential fraud and financial losses, and the absence of liquidity standards, reserve requirements, or consumer protection, and (4) the importance of the separation of banking from commerce to maintaining safety and soundness of the financial system. The OCC is experienced in supervising and regulating national banks. In the course of reviewing the Application, the OCC considered all of the items above to the extent they were relevant to factors or considerations in 12 CFR 5.¹⁴ The OCC regulates and supervises all entities in its jurisdiction in accordance and consistent with applicable law. The OCC has over 160 years of experience supervising and regulating a variety of financial institutions and financial activities. The OCC has supervised national trust bank activities for decades and ensured that fiduciary and non-fiduciary activities alike, representing trillions of dollars of assets under administration, have been conducted in a safe and sound manner in accordance with applicable law. The OCC has had years of experience successfully supervising a crypto-native national trust bank. Moreover, aspects of the comments are premised on unfounded assumptions or inaccurate conclusions (*e.g.*, that the Bank would be a stablecoin issuer). Many of these criticisms reflect the framework that Congress has established for supervision of the banking system, such as affiliates of uninsured national banks generally not being subject to the activity restrictions of the Bank Holding Company Act.¹⁵

With respect to concerns related to the OCC's ability to resolve uninsured entities, the OCC regulation pertaining to the resolution of uninsured national banks outlines the receivership process for uninsured entities.¹⁶ The OCC, through its application review, also considers, as appropriate, potential considerations related to receivership or resolution. The OCC has the capability to resolve an uninsured national bank.

¹³ *See also* 12 CFR 25.11(c)(3).

¹⁴ *See* 12 CFR 5.20(f)-(h).

¹⁵ *See, e.g.*, 12 USC 1841(c) (definition of bank excluding uninsured banks that do not both accept demand deposits and make commercial loans).

¹⁶ 12 CFR 51.

One commenter expresses support for the OCC continuing to evaluate all national trust bank charter applications, including those with a digital asset focus, on the merits of each individual application. Specifically, the commenter argues that granting these charters will strengthen federal oversight, bolster consumer protection, and foster a more innovative and competitive U.S. financial system.

Fiduciary Activities

The OCC approves the Bank's plan upon commencing business to exercise fiduciary powers pursuant to 12 USC 92a and 12 CFR 5.26. This approval constitutes a permit to exercise the fiduciary powers requested in your application under 12 USC 92a and 12 CFR 5.26(e)(4).

Specifically, the Bank will provide collateral trustee services for the benefit of USDC holders in a fiduciary capacity and provide digital asset custody services for its affiliates in a fiduciary capacity. The Bank's collateral trustee activity is permitted under 12 USC 92a and 12 CFR 9's explicit authorization for trustee activities. The Bank's proposed fiduciary custody activity is permitted under the bootstrap provision of 12 USC 92a and the New York state law, and its provision of custody services will be subject to fiduciary duties and standards of behavior.

Conditions

This preliminary conditional approval is subject to the following conditions:

1. The Bank must limit its operations to those of a trust company and activities related thereto, as specifically stated in the business plan. The Bank must not meet the definition of "bank" under section 2(c)(1)-(2) of the Bank Holding Company Act.
2. If and to the extent necessary, the Bank must conform, cease, or divest its proposed collateral trustee structure and any other activities to comply with the GENIUS Act (12 USC 5901 *et seq.*), any implementing regulations, and any other applicable laws and regulations that take effect in the future, such compliance to be determined in the sole discretion of the OCC.
3. The Bank: (i) must give the Novel Bank Supervisory Office at least sixty (60) days prior written notice of the Bank's intent to significantly deviate or change from its business plan or operations (if such deviation is the subject of an application filed with the OCC, no separate notice to the supervisory office is required); and (ii) must obtain the OCC's written determination of no objection before the Bank engages in any significant deviation or change from its business plan or operations. For the avoidance of doubt, a significant deviation includes changes to the Bank's risk and operating limits, as detailed in its business plan.

The OCC may impose additional conditions it deems appropriate in a written determination of no objection to the Bank's notice. This condition will remain in effect throughout the Bank's in organization period and during the Bank's first three years of operation.

4. The Bank must maintain a minimum \$6.05 million in tier 1 capital of which the greater of at least 50 percent of its tier 1 capital or \$3.025 million must be held in Eligible Liquid Assets.¹⁷ The Bank must assess the appropriateness of its level of capital and liquidity on a quarterly basis and hold such higher amounts of capital and liquidity as it determines necessary to support the bank's risk profile, business strategies, and future growth prospects, and to provide a cushion against unexpected losses. This condition will remain in effect during the Bank's first three years of operation.
5. The Bank must maintain 180 days of operating expenses¹⁸ in Eligible Liquid Assets. This amount must not be double counted with the Eligible Liquid Assets held to comply with the foregoing condition. This condition will remain in effect during the Bank's first three years of operation.
6. Prior to the appointment of any individual to the position of "senior executive officer," as defined in 12 CFR 5.51(c)(4), or the appointment of any individual to the board of directors, the proposed Bank must submit to the OCC the information described in the "Changes in Directors and Senior Executive Officers" booklet of the *Comptroller's Licensing Manual*, and receive a letter of no objection from the OCC. For purposes of this condition, "senior executive officer" includes the Chief Compliance Officer, the Bank Secrecy Act Officer, the Chief Technology Officer, the Chief Information Security Officer, the Chief Trust Officer, and any fiduciary officers or employees designated for that purpose. This information is required

¹⁷ The term "Eligible Liquid Assets" means only Liquid Assets that exceed the aggregate amount of all deposits, borrowed funds, and other liabilities on the Bank's balance sheet that reflect an obligation to repay funds to any party. The term Eligible Liquid Assets shall not include any assets that are pledged in any manner, nor any assets that are not free and kept free from any lien, encumbrance, charge, right of set off, credit or preference in connection with any claim against the Bank. The term "Liquid Assets" means: (i) unencumbered cash; (ii) deposits at insured depository institutions with a maturity of 90 days or less; (iii) United States government obligations maturing within 90 days or less; and (iv) such other assets as to which the Bank has obtained a written nonobjection from the OCC. The term Eligible Liquid Assets shall not include any obligation of any affiliate.

¹⁸ The minimum 180 days of operating expenses must include all fixed and variable operating expenses that would apply in a distressed, wind-down scenario and need not include expenses that would apply only in a normal operating scenario, such as expenses related to research and development.

by the authority of 12 USC 1818(b) and 12 CFR 5.20(g) and does not require the OCC to review or act on any such information within ninety (90) days. This condition will remain in effect throughout the Bank's in organization period and during the Bank's first three years of operation.

The conditions of this approval are conditions "imposed in writing by a Federal banking agency in connection with any action on any application, notice, or other request" within the meaning of 12 USC 1818. As such, the conditions are enforceable under 12 USC 1818.

As a de novo national bank, the Bank must also meet the following requirements prior to requesting its preopening examination and before the OCC will grant final charter approval pursuant to 12 USC 27(a):

1. The Bank must engage an independent, external auditor to perform an audit according to generally accepted auditing standards of sufficient scope to enable the auditor to render an opinion on the financial statements of the Bank taken as a whole. The audit period shall commence on the date that the organizing group forms a body corporate and may end on any calendar quarter-end no later than 12 months after the Bank opens. The OCC expects that such audits will be performed annually for at least three years following commencement of operations. Engagement of an auditor will be verified during the preopening examination (see the "Charters" booklet, Internal and External Audits discussion).
2. The Bank's financial statements must be prepared on an accrual basis according to generally accepted accounting principles.
3. The President, or the person serving in the function of President, of the Bank must serve as a member of the board of directors.
4. Each person who, together with his or her related interests, subscribes to 10 percent or more of the initial stock offering must submit a biographical and financial report for review to the Chartering, Organization & Structure staff prior to acquisition of the shares and staff must have no objection to each person before purchasing the shares. After opening the Bank, the Bank will comply with the requirements of 12 CFR 5.50. Changes in the composition of members or trustees of a voting trust or voting agreement also may be subject to the requirements of 12 CFR 5.50.
5. Management and the Board must maintain policies and procedures that address all OCC regulations and will guide the Bank's operations in a safe and sound manner. These policies and procedures must establish and guide the operation of a robust BSA/AML/OFAC program. All policies must be completed no later than the date of the applicant's request for a preopening examination. In addition, the board of directors must review and adopt the policies and procedures at its first

meeting. The board of directors is responsible for regular review and modification of policies and procedures and for assuring continuous compliance with them.

6. The Bank must have a security program in place that complies with the “Interagency Guidelines Establishing Standards for Safeguarding Customer Information” specified at 12 CFR 30, Appendix B (Appendix B).
7. The Bank must submit to the Novel Bank Supervision Office for review, and prior written determination of no supervisory objection, a complete description of the Bank’s final information systems and operations architecture as well as the information systems risk assessment and management plan. This should include a schematic drawing; and
8. A letter must be submitted to the Chartering, Organization and Structure staff at least 60 days before the Bank is scheduled to open, notifying the OCC that all conditions and requirements necessary to receive a national bank charter have been met, requesting a preopening examination, and providing the anticipated opening date.

The manner in which capital is raised must not deviate from that described in the application without prior written OCC notification. If the capital for the Bank is not raised within 12 months or if the Bank is not opened for business within 18 months from the preliminary conditional approval date, this approval expires. The OCC is opposed to granting extensions, except under the most extenuating circumstances and when the OCC determines that the delay is beyond the applicant’s control. The organizers are expected to proceed diligently, consistent with their application, for the Bank to open for business as soon as possible.

In addition, the Bank must meet the following requirements:

1. The Bank must purchase adequate fidelity bond coverage in accordance with 12 CFR 7.2013, which lists four factors the directors should consider to determine adequacy.
2. The board of directors and management of the Bank must adopt policies, practices, and procedures to ensure the safe and sound operation of the bank. In addition, the board of directors must review and adopt the policies, practices, and procedures continually and ensure the bank’s compliance with them.
3. The converting institution must ensure that all other required regulatory approvals have been obtained.
4. The Bank must ensure that all other required regulatory approvals have been obtained.

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5. The directors of the Bank must own qualifying shares in conformance with 12 USC 72 and 12 CFR 7.2005.

Organizers, Directors and Officers

The OCC poses no objection to the following persons serving as executive officers, directors, and/or organizers as proposed in the Application:

<u>Name</u>	<u>Title</u>
Daniel Fishman	Organizer, Director, President and Treasurer
Tamara Schulz	Organizer/Director
Heath Tarbert	Organizer/Director
Brett Schroeder	Organizer, Chief Legal Officer & Secretary
Rawan Abdelrazek	Organizer, Chief Operating and Trust Officer and
Vice President	
Amy Friend	Director
Alan Cohen	Director
Mandeep Walia	Chief Compliance & Risk Officer
Marlys Rodgers	Chief Information Security Officer

Prior to the Bank's opening, the Bank must obtain the OCC's prior written determination of no objection for any additional organizers or executive officers, or directors appointed or elected before the person assumes the position.

Waiver of Residency Requirements

The OCC also granted your request to waive the residency requirements of 12 USC 72 for Directors Heath Tarbert, Amy Friend, and Tamara Schulz to serve as members of the board of directors of the Bank. This waiver is granted based upon a review of all available information, including the filing and any subsequent correspondence and telephone conversations, and the Bank's representation that this waiver will not affect the board's responsibility to direct the Bank's operations in a safe, sound, and legal manner. The OCC reserves the right to withdraw or modify this waiver and, at its discretion, to request additional information at any time in the future.

Organizing Steps and Pre-Opening Requirements

The “Charters” booklet in the *Comptroller’s Licensing Manual* provides guidance for organizing your bank. The booklet is located at the OCC's web site:
<https://www.occ.gov/publications/publications-by-type/licensing-manuals/charters.pdf>.
The booklet contains all of the steps you must take to receive final approval.

As detailed in the booklet, you may establish the corporate existence of and begin organizing the Bank as soon as you adopt and forward Articles of Association and the Organization Certificate to the Chartering, Organization and Structure office for review and acceptance. The Bank may not begin the business of banking until it fulfills all requirements for a bank in organization and the OCC grants final approval.

As a “body corporate” or legal entity, you may begin taking those steps necessary for obtaining final approval. ***“In Organization” should follow the bank’s name in all official documents, stationery, advertisements, and other references to the bank until it opens for business.*** The Bank may not begin the business of banking until it fulfills all requirements for a bank in organization and the OCC grants final approval.

Enclosed are a minimum policies and procedures checklist and a pre-opening checklist for new national banks. The Bank must meet the conditions and requirements above before it is allowed to commence business, and the Board of Directors must ensure that the applicable policies and procedures are established and adopted before the Bank begins operation.

Conclusion

This preliminary conditional approval and the activities and communications by OCC employees in connection with the filing do not constitute a contract, express or implied, or any other obligation binding upon the OCC, the United States, any agency or entity of the United States, or any officer or employee of the United States, and do not affect the ability of the OCC to exercise its supervisory, regulatory, and examination authorities under applicable law and regulations. The foregoing may not be waived or modified by any employee or agent of the OCC or the United States.

The OCC’s approval is based on the bank’s representations, submissions, and information available to the OCC as of this date. The OCC may modify, suspend, or rescind this approval if a material change in the information on which the OCC relied occurs prior to the date of the transaction to which this decision pertains.

Mr. Kevin Murphy
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Sincerely,

//signed//

Stephen A. Lybarger
Senior Deputy Comptroller
Chartering, Organization
and Structure