The Federal Reserve Board on Tuesday provided additional information on its program to supervise novel activities in the banks it oversees. Novel activities include complex, technology-driven partnerships with non-banks to provide banking services to customers; and activities that involve crypto-assets and distributed ledger or "blockchain" technology.

The goal of the novel activities supervision program is to foster the benefits of financial innovation while recognizing and appropriately addressing risks to ensure the safety and soundness of the banking system. The program will be integrated into the Federal Reserve's existing supervisory processes, with program experts working alongside current supervisory teams to oversee banks engaged in novel activities.

Also on Tuesday, the Board provided additional information on the process for a state bank supervised by the Federal Reserve to follow before engaging in certain dollar token or stablecoin activity, including demonstrating to its Federal Reserve supervisors that it has appropriate safeguards to conduct the activity safely and soundly.

Today's announcements are part of the Federal Reserve's ongoing work to create greater clarity for all parties as financial services and related technologies continue to evolve. These announcements build on the Board's January policy statement, which provides clarity on limitations on certain activities, promoting a level playing field for banks with a federal supervisor.

For media inquiries, please email media@frb.gov or call 202-452-2955.
Federal Reserve Board - Federal Reserve Board provides additional information on its program to supervise novel activities in the banks it oversees.

https://www.federalreserve.gov/newsevents/pressreleases/bcreg20230808a.htm