Office of the
Comptroller of the Currency

Washington, DC 20019

Interpretive Letter #1192
June 2026

May 12, 2026

H. Rodgin Cohen
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125 Broad Street
New York, New York 10004-2498

Subject: Applicability of State Money Transmitter Licensing Requirements

Dear Mr. Cohen:

Your letter dated March 11, 2026 requests that the Office of the Comptroller of the Currency (OCC) confirm that the National Bank Act preempts state law that would require Fidelity Digital Assets, National Association (Bank) to hold a state money transmitter license under certain conditions.[1] In response to your request, the OCC is providing this letter to confirm that the Bank is not required to comply with state money transmitter licensing requirements. This conclusion is clear and unambiguous under applicable law and longstanding precedent.

Federal law vests national banks with authority to engage in a wide range of activities on a national basis, including fiduciary and non-fiduciary activities. A state law that purports to require a national bank to hold a state money transmitter license as a condition precedent to engaging in such activities prevents or significantly interferes with the national bank's exercise of its federally authorized powers and, as such, is preempted. In addition, a state money transmitter law that purports to vest a state with visitorial authority over a national bank is fundamentally inconsistent with 12 U.S.C. § 484 and, as such, is impermissible. Accordingly, the Bank may conduct federally authorized activities in any state without having a state money transmitter license, regardless of whether the Bank satisfies a state law exemption from the licensing requirement.

I. Background

Prior to December 12, 2025, Fidelity Digital Assets Service, LLC (FDAS) was a New York-chartered limited liability trust company that held money transmitter licenses in many states, including Iowa.[2] On December 12, 2025, the OCC approved an application for FDAS to convert to an uninsured national bank with operations limited to those of a trust company or activities related thereto under 12 U.S.C. § 27(a) (a national trust bank).[3] The Bank provides cryptocurrency custody, trade execution services, and related services including (a) digital asset

[1] Some states refer to this as a registration requirement. References to the National Bank Act herein include 12 U.S.C. § 92a.

[2] *See* Uniform Money Transmission Modernization Act, Iowa Code Chapter 533C (Iowa law).

[3] *See* OCC Conditional Approval No. 1355, https://www.occ.gov/topics/charters-and-licensing/interpretations-and-actions/2026/ca1355.pdf.

custodial accounts; (b) transfer of assets services; (c) custodial cash accounts; (d) digital asset trade execution services; (e) digital asset services for individual retirement accounts; (f) settlement as a service; (g) collateral agency services; and (h) digital asset reporting. The Bank also intends to issue its own stablecoin, provide staking services, and provide asset management services to affiliates.

Concurrent with its conversion to a national bank, FDAS informed the Iowa Division of Banking (state agency) that it was surrendering its Iowa money transmitter license. The state agency noted that the Iowa law exempts banks and trust companies from its money transmitter licensing requirements if the bank or trust company has federally insured deposits and requested that the Bank provide the legal basis for this surrender.[4] In response, the Bank explained that the National Bank Act preempts the state's licensing requirements and separately requested that the OCC confirm this.

II. Iowa Law

Iowa law generally requires any person that engages in the business of money transmission in the state to hold a state-issued license.[5] Prospective licensees must apply to the state agency, provide required application materials, and pay an application fee.[6] The state agency has authority to approve or deny an application.[7] If the state agency approves the licensing application, Iowa law requires a licensee to provide specified information and reports to the state agency,[8] comply with applicable state law standards,[9] and pay an annual licensing fee.[10] In addition, the state law provides the state agency with supervisory authority over licensees, including the authority to conduct periodic examinations and require the production of books and records.[11] The state agency may also take administrative enforcement actions against a licensee;[12] suspend or revoke a license;[13] or place a licensee into receivership.[14]

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[4] *See* Iowa Code §§ 533C.102.9, 533C.103.4.

[5] *Id.* § 533C.301.1. As noted, Iowa law provides certain exemptions from the licensing requirements, including for "a federally insured depository financial institution." *Id.* § 533C.103.4. Because the Bank is not federally insured, it does not satisfy this state law exemption.

[6] *Id.* § 533C.303.

[7] *Id.* § 533C.305.

[8] *See, e.g.*, *id.* §§ 533C.601 (reports of condition), 533C.602 (audited financials), 533C.603 (authorized delegate reporting), 533C.604 (reporting of certain events).

[9] *See, e.g.*, *id.* ch. 533C, arts. 7 (timely transmissions, refunds, and disclosures), 8 (prudential standards).

[10] *Id.* §§ 533C.303.3, 533C.306.

[11] *Id.* § 533C.203.

[12] *See id.* ch. 533C, art. 9.

[13] *Id.* §§ 533C.307, 533C.901.

[14] *Id.* § 533C.901.

III. Applicable Law

As the Supreme Court has long observed, national banks are "necessarily subject to the paramount authority of the United States."[15] Within this federal framework, the National Bank Act extensively governs the formation, organization, and corporate existence of national banks.[16] Among other things, the statute vests the OCC with the authority to issue a charter for a national bank to conduct business, either as a de novo national bank or by conversion from a state bank to a national bank.[17] It specifically recognizes the permissibility of national trust banks, whose operations are "limited to those of a trust company and activities related thereto."[18]

Once chartered by the OCC, a national bank may engage in a wide range of activities authorized by federal law,[19] which are "not normally limited by, but rather ordinarily pre-empt[], contrary state law."[20] As such, any state law that prevents or significantly interferes with a national bank's exercise of its federally authorized powers is preempted.[21] Both courts and the OCC have consistently concluded that the National Bank Act preempts, among other things, state licensing laws.[22]

In addition, the National Bank Act provides that "[n]o national bank shall be subject to any visitorial powers except as authorized by Federal law."[23] Accordingly, state officials may not

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[15] *Davis v. Elmira Sav. Bank*, 161 U.S. 275, 283 (1896).

[16] *See* 12 U.S.C. § 21 *et seq.*

[17] *See, e.g.*, 12 U.S.C. §§ 26, 27, 35.

[18] *See* 12 U.S.C. § 27(a).

[19] *See, e.g.*, 12 U.S.C. §§ 24(Seventh), 92a (requiring approval from the OCC to exercise fiduciary powers).

[20] *Barnett Bank v. Nelson*, 517 U.S. 25, 32 (1996).

[21] *Id*. In 2024, the U.S. Supreme Court reaffirmed this standard and provided guidance on its application by reference to *Barnett* and six antecedent cases. *Cantero v. Bank of Am., N.A.*, 602 U.S. 205 (2024).

[22] *See Watters v. Wachovia Bank, N.A.*, 550 U.S. 1, 21 (2007) (observing that a state law that conditioned a national bank's federal powers on registration with the state "would surely interfere with" the bank's exercise of such powers), *superseded by statute on other grounds*, 12 U.S.C. § 25b; *Ass'n of Banks in Ins., Inc. v. Duryee*, 55 F. Supp. 2d 799, 811 (S.D. Ohio 1999), *aff'd in part & remanded*, 270 F.3d 397 (6th Cir. 2001) (concluding that the provisions of a state licensing law "constitute impermissible conditions upon the ability of a national bank to do business within the state"); *Wachovia Bank, N.A. v. Watters*, 334 F. Supp. 2d 957, 965 (W.D. Mich. 2004), *aff'd in relevant part*, *Watters*, 550 U.S. at 13 ("Even the most limited aspects of state licensing requirements have been preempted because they created impermissible conditions upon the authority of a national bank to do business."); *Bank of Am., Nat. Tr. & Sav. Ass'n v. Lima*, 103 F. Supp. 916, 917-18 (D. Mass. 1952) (observing that (1) a national bank's presence in a "state is attributable to the national power, not to the state's permission;" (2) "any attempt by the state to block its entry until it complied with certain conditions would violate the constitution and laws of the United States;" and (3) states do not "have the power to levy license fees on national banks" (citations omitted)); *see also Barnett*, 517 U.S. at 37 (concluding that national banks may exercise their federal authority even if they do not have permission or approval to do so under state law).

Relevant OCC licensing preemption precedent includes 12 C.F.R. §§ 7.4007(b)(6), 7.4008(d)(1), 34.4(a)(1), and OCC Interpretive Letter 1167 (May 20, 2020).

[23] 12 U.S.C. § 484(a). The statute contains additional narrow exceptions related to the courts of justice and Congress.

exercise visitorial powers with respect to national banks except in very limited circumstances.[24] This visitorial exclusivity prevents the confusion and uncertainty that would result from "rival oversight regimes."[25] The Supreme Court and other federal courts describe visitation as "examin[ing] into [a corporation's] manner of conducting business, and enforc[ing] an observance of its laws and regulations;"[26] "general supervision and control;"[27] the "right to oversee corporate affairs;"[28] and "inspection; superintendence; direction; [or] regulation" of a bank's affairs.[29] OCC regulations provide examples of visitation consistent with this precedent.[30]

Applying this federal framework, the Supreme Court has concluded that a national bank "is subject to the OCC's superintendence, and not the licensing, reporting, and visitorial regimes of" the states in which it operates, observing that the dual banking system "has never permitted States to license, inspect, and supervise national banks."[31]

IV. Analysis

On December 12, 2025, the OCC's approval of the application to convert FDAS to a national bank vested the Bank with federal authority to engage in fiduciary and non-fiduciary activities on a national basis.[32] As such, the Bank's exercise of this authority is not contingent on receiving additional permission from Iowa, via a license or otherwise, even if these activities constitute money transmission under state law. To conclude otherwise would, at a minimum, require the Bank to obtain Iowa's permission as a condition precedent to exercising its federal power. At the extreme, it could subject the Bank to a veto of its federal authority if the state revoked or denied the license. Thus, the application of Iowa's money transmitter licensing requirement to the Bank clearly prevents or significantly interferes with its exercise of its federally authorized powers and, as such, is preempted by the National Bank Act.[33] The same applies to any similar state

[24] For example, federal law authorizes state officials to review a national bank's "records solely to ensure compliance with applicable State unclaimed property or escheat laws upon reasonable cause to believe that the bank has failed to comply with such laws." *Id.* § 484(b).

[25] *Cuomo v. Clearing House Ass'n*, 557 U.S. 519, 528 (2009).

[26] *Guthrie v. Harkness*, 199 U.S. 148, 158 (1905) (quoting *First Nat'l Bank of Youngstown v. Hughes*, 6 F. 737, 740 (6th Cir. 1881), *appeal dismissed*, 106 U.S. 523 (1883)).

[27] *Cuomo*, 557 U.S. at 528 (quoting *Watters*, 550 U.S. at 13).

[28] *Id.* at 526.

[29] *First Nat'l Bank of Youngstown*, 6 F. at 740-41 (citation omitted).

[30] 12 C.F.R. § 7.4000(a)(2).

[31] *Watters*, 550 U.S. at 11, 24 n.7.

[32] *See* OCC Conditional Approval No. 1355.

[33] *See supra* n.22.

money transmitter licensing requirements that purport to apply to the Bank, including by limiting their licensing exemptions to a subset of national banks.[34]
Moreover, Iowa law requires a prospective licensee to provide non-public information as part of its application and, if an application is approved, vests the state agency with robust jurisdiction over a licensee. For example, a licensee must provide reports to the state agency, produce additional books and records on demand, and undergo periodic examinations. In addition, Iowa law permits the state agency to take an administrative enforcement action against a licensee under certain circumstances. Iowa law thus grants the state agency with authority to exercise visitorial powers over a licensee or a prospective licensee, which would be fundamentally inconsistent with the OCC's exclusive visitorial powers under 12 U.S.C. § 484 if applied to the Bank. As such, Iowa's requirement that the Bank hold a money transmitter license and submit to the state agency's attendant jurisdiction is impermissible. The same is true for any similar state requirements.

V. Conclusion

The OCC confirms that the Bank may engage in its federally authorized activities nationwide and is not required to hold a state money transmitter license or satisfy a state law exemption. Such states laws are preempted by the National Bank Act because they prevent or significantly interfere with the Bank's exercise of its federally authorized powers. In addition, because they are fundamentally inconsistent with the OCC's exclusive visitorial authority under 12 U.S.C. § 484, they are impermissible as applied to the Bank.

This conclusion is based on the facts and circumstances represented in your letter. Different facts and circumstances or different applicable laws and regulations could result in a different conclusion.

Sincerely,

//signed//

Will C. Giles
Principal Deputy Chief Counsel

[34] Because these state laws are not state consumer financial laws, this interpretive letter is not a preemption determination for purposes of 12 U.S.C. § 25b. Similarly, because these state laws do not fall within any of the categories listed in 12 U.S.C. § 43(a), this interpretive letter is not subject to the requirements of that statute.