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Kraken Becomes First Digital Asset Company to Receive U.S. Bank Charter

Blockchain and the Law on **By Jordan M. Horowitz on**

Kraken recently announced that it "is the first digital asset company in U.S. history to receive a bank charter recognized under federal and state law, and will be the first regulated, U.S. bank to provide comprehensive deposit-taking, custody and fiduciary services for digital assets."

Kraken obtained a charter from the State of Wyoming to operate the world's first special purpose depository institution (SPDI). In 2019, Wyoming enacted a law to authorize the chartering of SPDIs as a new form of bank, to facilitate the establishment of financial institutions with the requisite expertise to provide banking services to blockchain innovators.

Kraken currently operates one of the largest cryptocurrency exchanges, and it noted that its SPDI's banking services "will be seamlessly integrated into the existing exchange services, providing clients better funding infrastructure, a better experience and enhanced regulatory clarity."

According to Kraken's blog post, during its first year of operations, the SPDI's services will include digital asset custody, demand/deposit accounts, and wire transfer and funding services. Kraken noted, over the next few years, it plans to support additional services such as enhanced digital asset custody offerings, services specific to individual accounts and corporate clients, including, with respect to the former, a debit card to spend crypto funds and a complete online and mobile banking suite of products, as well as additional retail, wealth management and treasury services.

Kraken will operate its bank via an online and mobile-first banking model, initially offering accounts to only U.S. residents, with plans to expand globally—as stated in its announcement, "Kraken's vision is to become the world's trusted bridge between the crypto economy of the future and today's existing financial ecosystem."

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