



DEPARTMENT OF THE TREASURY

Financial Crimes Enforcement Network

31 CFR Parts 1010, 1020, and 1022

RIN 1506-AB47

Requirements for Certain Transactions Involving Convertible Virtual Currency or Digital Assets; Withdrawal

AGENCY: Financial Crimes Enforcement Network (FinCEN), Treasury.

ACTION: Proposed rule; withdrawal.

SUMMARY: FinCEN is withdrawing a notice of proposed rulemaking (NPRM) that proposed requiring banks and money service businesses (MSBs) to submit reports, keep records, and verify the identity of customers in relation to transactions involving convertible virtual currency (CVC) or digital assets with legal tender status (LTDA) held in unhosted wallets or in wallets hosted in a jurisdiction identified by FinCEN. FinCEN will not take any further action on this NPRM.

DATES: FinCEN is withdrawing the proposed rule published at 85 FR 83840 (December 23, 2020), as of [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: The FinCEN Regulatory Support Section by submitting an inquiry at www.fincen.gov/contact.

SUPPLEMENTARY INFORMATION:

On December 23, 2020, FinCEN published an NPRM that proposed adopting recordkeeping, verification, and reporting requirements for certain deposits, withdrawals, exchanges, or other payments or transfers of CVC or LTDA by, through, or to a bank or MSB that involve an unhosted or otherwise covered wallet.¹ Under the proposal, the term “unhosted

¹ FinCEN, *Requirements for Certain Transactions Involving Convertible Virtual Currency or Digital Assets*, 85 FR 83840 (Dec. 23, 2020).

wallet” described “when a financial institution is not required to conduct transactions from the wallet.”² FinCEN proposed defining otherwise covered wallets as those wallets that are held at a financial institution that is not subject to the Bank Secrecy Act and is located in a foreign jurisdiction identified by FinCEN.³ The NPRM proposed requiring banks and MSBs to file a report with FinCEN containing certain information related to a customer’s CVC or LTDA transaction and counterparty, and to verify the identity of their customer, if a counterparty to the transaction is using an unhosted or otherwise covered wallet and the transaction is greater than \$10,000, or multiple transactions that aggregate to greater than \$10,000 in 24 hours. The NPRM also proposed requiring banks and MSBs to keep records of a customer’s CVC or LTDA transaction and counterparty, including verifying the identity of their customer, if a counterparty is using an unhosted or otherwise covered wallet and the transaction is greater than \$3,000.

As stated in the report issued by the President’s Working Group on Digital Asset Markets established by Executive Order 14178, “Strengthening American Leadership in Digital Financial Technology,” FinCEN is withdrawing the NPRM as part of the Trump Administration’s ongoing efforts to ensure digital asset regulations are fit-for-purpose.⁴ FinCEN will take no further action on this NPRM.

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² *Id.* at 83843.

³ *Id.*

⁴ See White House, *Strengthening American Leadership in Digital Financial Technology*, p. 100 (July 2025), <https://www.whitehouse.gov/wp-content/uploads/2025/07/Digital-Assets-Report-EO14178.pdf>; see also Exec. Order 14178, 90 FR 8647 (Jan. 31, 2025).