

FDIC refutes Claim That Buyer of Signature Bank Must Sell

Crypto According to Reuters, the FDIC demanded that the purchasers of Signature "give up" the bank's cryptocurrency operations. The Federal Deposit Insurance Corporation refuted claims that it will demand that any buyer of Signature Bank sell off its cryptocurrency operations. Reuters reported on Wednesday that "any acquirer of Signature must agree to give up all the crypto activity at the bank," citing two anonymous individuals. The FDIC replied to that story. This was refuted by an FDIC official to Reuters. In an email, a representative for the FDIC stated that "the receivership does not terminate until all of the bank's assets are sold, all claims made against the bank are resolved, and the purchaser determines the conditions of their offer." In accordance with the FDIC's resolution manual, the purchaser must disclose to the agency "what assets and liabilities from the failing bank it is ready to absorb," the spokeswoman added. Moreover, the representative pointed CoinDesk to two joint comments from the FDIC, Office of the Comptroller of the Currency, and Federal Reserve, one of which notes that banks are "neither banned nor discouraged" from offering services to any industry. According to Reuters, an FDIC representative said that the organization "would not mandate divestiture of crypto activity as part of any sale." The New York Department of Financial Services seized Signature over the weekend and passed it over to the FDIC. Barney Frank, a board member of Signature and a proponent of the Dodd-Frank Act, asserted that the decision was political and might have

been motivated by anti-crypto sentiment; however, a NYDFS spokesperson claimed that the regulator had lost faith in the bank's management as a result of last Friday's bank run and a lack of "reliable" information over the weekend. According to Reuters, the FDIC plans to auction off Signature and Silicon Valley Bank, another bank that was seized by a state regulator last week, probably by the end of this week.

Source: www.Pipsafe.com - FDIC refutes Claim That Buyer of Signature Bank Must Sell Crypto

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