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March 18, 2026

Sebastian R. Astrada
Director for Licensing
Midsize, Trust, Credit Card, and Novel Banks
Office of the Comptroller of the Currency
400 7th Street SW
Washington, DC 20219

Re: Application to Charter Morgan Stanley Digital Trust, National Association

Dear Director Astrada:

The Independent Community Bankers of America (“ICBA”)¹ appreciates the opportunity to comment on the Morgan Stanley Digital Trust, National Association’s (“MSDTNA”) application to the Office of the Comptroller of the Currency (“OCC”) to charter as a national trust bank.

ICBA respectfully urges the OCC to deny MSDTNA’s application, as it raises serious questions, including:

1. The statutory authority for the proposed activities;
2. The potential for regulatory arbitrage; and
3. Safety-and-soundness risks associated with concentrated digital-asset activities.

1. The Proposed Activities are Inconsistent with the Traditional Scope of Trust Bank Powers

While national trust banks historically have been chartered to conduct fiduciary activities such as trust administration, asset management, and custody of financial assets, MSDTNA would go well beyond these limits. As described in the application, MSDTNA would be a limited-purpose national trust bank that would provide custody and related services for digital assets held on behalf of Morgan Stanley clients. According to the application, the MSDTNA would, provide custody of digital assets for Morgan Stanley clients, facilitate purchases, sales, swaps, and transfers of digital assets, and facilitate staking services.

These proposed activities, particularly staking, raise significant legal and policy concerns. These activities appear to involve transaction execution and participation in digital-asset markets, which

¹ The Independent Community Bankers of America® has one mission: to create and promote an environment where community banks flourish. We power the potential of the nation’s community banks through effective advocacy, education, and innovation. As local and trusted sources of credit, America’s community banks leverage their relationship-based business model and innovative offerings to channel deposits into the neighborhoods they serve, creating jobs, fostering economic prosperity, and fueling their customers’ financial goals and dreams. For more information, visit ICBA’s website at icba.org.

extend well beyond traditional fiduciary services. ICBA has previously explained that the OCC lacks statutory authority to charter limited-purpose trust banks that engage in significant activities unrelated to permissible fiduciary activities.² Allowing a national trust bank to engage in digital-asset transaction execution and staking services would represent a significant expansion of the traditional scope of trust banking and could set a precedent for further expansion of national trust bank powers.

2. Approval of the Application Would Create Opportunities for Regulatory Arbitrage

Regulatory policy should promote fair competition and consistent oversight, rather than creating pathways for certain institutions to avoid the safeguards applied to traditional banking institutions. ICBA is concerned that approving this application would create opportunities for regulatory arbitrage. Community banks operate under a comprehensive regulatory framework designed to promote safety, soundness, and consumer protection. Unlike insured depository institutions, national trust banks do not accept insured deposits and therefore operate under a different regulatory framework than full-service banks.

If the OCC permits certain institutions to conduct substantial digital-asset activities through specialized national trust banks that are not subject to the same regulatory expectations as insured depository institutions, the result could be uneven regulatory treatment across the banking sector.

The Morgan Stanley application contemplates a business model that is largely centered on digital-asset activities conducted through a limited-purpose national trust bank. If approved, this structure could encourage other financial institutions and fintech firms to pursue similar charter applications.

ICBA has warned that such developments risk creating a parallel regulatory regime for digital-asset activities within the banking system, undermining consistent prudential supervision. The OCC should not permit the national trust bank charter to be used as a mechanism for conducting substantial financial activities outside the regulatory framework that applies to insured banks.

3. Concentrated Exposure to Digital-Asset Activities Raises Safety-and-Soundness Concerns

ICBA has previously noted that the risks associated with complex financial products and financial contracts can create serious supervisory challenges when conducted by uninsured national trust banks. These risks are particularly concerning where an institution's activities are concentrated in markets characterized by rapid technological change and evolving regulatory treatment.

The proposed business model for MSDTNA is highly concentrated in digital-asset services, including digital-asset custody and related services for Morgan Stanley clients. The OCC must ensure that any

² Independent Community Bankers of America, "Comment Letter on OCC Notice of Proposed Rulemaking Regarding National Trust Bank Chartering" (Feb. 11, 2026).

institution granted a national bank charter maintains a safe and sound risk profile consistent with the responsibilities associated with a federal bank charter.

The OCC has adopted regulations governing the receivership of uninsured national banks, but those regulations are grounded in statutory authorities set forth in the National Bank Act. The statutory and regulatory framework underpinning the OCC's receivership and conservatorship authorities is outdated, particularly when compared with the more modern resolution framework available to the FDIC. OCC does not have the same flexibility or range of tools necessary to address the complexities presented by newer or "novel" banking institutions.

Moreover, the OCC has limited practical experience administering receiverships, having not served as a receiver since the establishment of the FDIC in 1933. This lack of experience is especially concerning in situations where uninsured national trust banks engage in substantial activities beyond permissible fiduciary functions, particularly where those activities involve complex financial instruments or contractual arrangements, such as staking.

Conclusion

ICBA appreciates the opportunity to comment on MSDTNA's application. While ICBA supports responsible innovation in financial services, such innovation must occur within a regulatory framework that preserves the safety and soundness of the banking system and ensures fair competition across the banking sector. For the reasons discussed above, ICBA respectfully urges the OCC to deny the application.

ICBA looks forward to continuing to work with the OCC and other federal regulators to ensure that innovation in financial services occurs in a manner that maintains the strength and stability of the banking system. If you would like to discuss further, please contact me at michael.emancipator@icba.org.

Sincerely,

/s/

Michael Emancipator
Senior Vice President, Regulatory Counsel