

May 8, 2026

Supplemental Information Regarding Kraken Financial Account

The Federal Reserve Bank of Kansas City (“Bank”) announced on March 4 that it had approved a request for a limited purpose account from Kraken Financial. Given the high level of interest in this decision, and the provision of Federal Reserve financial services for depository institutions more broadly, following are details about the decision.

Review Process

In evaluating Kraken Financial’s request, the Bank applied a methodical, risk-based review grounded in the Board of Governors’ Guidelines for Evaluating Account and Service Requests (Guidelines).¹ The Bank focused on the risks those Guidelines identify, including risks to the Reserve Bank, the payment system, financial stability, illicit-finance controls, and monetary policy implementation.

As explained in the Board’s Guidelines, Reserve Banks have discretion in granting accounts and use the tiered evaluation framework in the Guidelines to determine terms, limitations, or mitigating controls necessary to reduce the risks associated with the provision of an account and access to services to an institution. Under the Board’s Guidelines, Kraken Financial—a state-chartered, non-federally-insured bank—was classified as a Tier 3 entity, meaning its request received the strictest level of review.² Consistent with this and after a thorough risk assessment, the Bank granted a limited purpose account to Kraken Financial for an initial term of one year and included restrictions tailored for Kraken Financial’s business model and risk profile. As discussed in the Guidelines, as part of its review of Kraken’s request, the Bank consulted with the other Reserve Banks and the Board of Governors to ensure that the guidelines are implemented in a consistent and timely manner.

At the time of the Bank’s decision to provide Kraken Financial an account and access to certain financial services, the Board of Governors’ efforts to create a payment account were not completed, and in fact are ongoing.³ The Bank made its decision regarding Kraken Financial’s request using its existing authorities under the Federal Reserve Act, and engaged in a detailed end-to-end review in advance of providing the account.

Account Access

The Bank has authorized Kraken Financial to access only the Federal Reserve’s Fedwire Funds Service, with the following restrictions and controls:

- Kraken Financial is not permitted to access intraday credit or credit from the discount window.
- The account is subject to a closing balance limit and will not receive interest.

¹ <https://www.federalreserve.gov/newsevents/pressreleases/files/other20220815a1.pdf>

² It is important to distinguish that the entity known as “Kraken Financial” is a distinct organization that has received a specific state banking charter under the State of Wyoming’s laws, and its operations are segregated from those of the Kraken cryptocurrency exchange. Neither the Kraken exchange nor other subsidiaries within the Payward Group have been granted access to the Federal Reserve’s payments systems.

³ See <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20251219a.htm>

The Bank's action reflects its responsibility to evaluate individual requests under the existing Guidelines. This approach also did not expand legal eligibility for access or establish a new account category for applicants.

The terms under which Kraken Financial has been provided an account and access to services are consistent with the potential payment account terms under the Board of Governors' [Request for Information](#) (RFI) on the Reserve Bank Payment Account prototype. According to the RFI, payment account holders would only have access to services (such as the Fedwire Funds Service) for which the Reserve Banks can automatically reject transactions that would cause an overdraft. The account controls and restrictions for Kraken Financial related to overdrafts, closing balances, access to the discount window, and interest on balances are also consistent with the standardized controls and restrictions described in the RFI. As a result, Kraken Financial's account could be viewed as a pilot of the payment account concept, providing the Federal Reserve with insights in a limited and risk-controlled manner.

As a Wyoming special purpose depository institution, Kraken Financial is subject to the State of Wyoming's ongoing supervision, regulation, and related reporting requirements, and must comply with federal laws and regulations enacted to combat money laundering and the financing of terrorism. It is our responsibility to ensure that innovations are responsibly matched with effective risk management and appropriate controls, consistent with the Guidelines. This decision aligns with our responsibility, and the Bank will continue to work with banking supervisors in each of our District's seven states, as well as other Reserve Banks and the Board of Governors to manage our responsibilities in service to the public.

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