Banking and Finance Law Daily Wrap Up, FINACIAL TECHNOLOGY—BPI and NCRC urge OCC to reject Sony Bank's Connectia Trust charter application, (Nov. 13, 2025)

Banking and Finance Law Daily Wrap Up

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Industry groups assert Connectia Trust's stablecoin and digital-asset proposal lacks fiduciary grounding, raises commercial affiliation concerns, and could disadvantage banks.

The Bank Policy Institute (BPI) and the National Community Reinvestment Coalition (NCRC) submitted comment letters urging the Office of the Comptroller of the Currency (OCC) to deny Sony Bank Incorporated's application to charter Connectia Trust, National Association. Both organizations stated that the proposal would establish a national trust bank engaged in stablecoin issuance, digital-asset custody, and related activities without demonstrating that these operations fit within the fiduciary framework required under 12 U.S.C. § 27(a). They also said the application relies on digital-asset structures that have not been fully defined in law or regulation, raises questions about the relationship between a federally chartered trust bank and affiliated commercial entities, and could result in competitive disparities for traditional banks. Their filings add to earlier objections raised by Independent Community Bankers of America (*Banking and Finance Law Daily*, Nov. 7, 2025).

BPI's objections. BPI stated that it "submits this comment in opposition" and raised concerns that Connectia's ownership and activities implicate the long-standing principle separating banking and commerce. The letter noted that Connectia would be wholly owned by Sony Bank, which is owned by Sony Financial Group Inc. (SFG), and cited public information that Sony Group, a commercial company, owns "slightly less than 20 percent" of SFG. BPI urged the OCC to assess the permissibility of a national trust bank's affiliation with commercial businesses and to evaluate any resulting implications under Sections 23A and 23B of the Federal Reserve Act. BPI also stated that the application does not show that Connectia would engage predominantly in fiduciary activities as required under 12 C.F.R. § 5.20(e)(1)(i). The letter said the publicly available materials do not establish whether Connectia would hold assets in a fiduciary capacity or perform other fiduciary functions. The letter also stated that Connectia "may very well be ineligible" for a national trust charter if its operations remain centered on non-fiduciary custody and stablecoin services.

BPI further observed that the proposed use of a national trust charter for stablecoin issuance is untested. According to the letter, the application does not clarify whether stablecoins would represent interests in a pool of assets, creditor claims against an issuer, or another legal structure, nor does it identify the trustee, the reserve-asset arrangements, or the duties Connectia would assume. BPI recommended that the OCC obtain and make public additional information addressing these issues. The letter also stated that approval could create competitive disparities for existing federal- and state-chartered banks by permitting a new entrant to operate under a trust charter while engaging in digital-asset activities not matched to the obligations of traditional banking charters.

NCRC's objections. NCRC stated that it "strongly opposes" the application and argued that the OCC lacks authority to issue a national trust charter to an entity whose primary activities involve stablecoins and other digital assets. Citing 12 C.F.R. § 5.20, NCRC said applicants must demonstrate safe and sound operations, compliance capabilities, adequate capital, and alignment with the purposes of the National Bank Act. Moreover, NCRC stated that Connectia's proposed activities "are not consistent with the purposes of the National Bank Act."

The organization stated that a trust-bank charter would allow Connectia to obtain the benefits of federal status while

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avoiding obligations applicable to insured banks. NCRC emphasized that national trust banks are not subject to the Community Reinvestment Act (CRA) and said Connectia would have no reinvestment responsibilities even though its operations would involve holding customer funds and facilitating payment-like functions through stablecoin issuance.

The group also said the “national bank” label could cause consumers to misunderstand the protections afforded to stablecoin-related balances, and that a trust charter could preempt state money-transmitter and consumer-protection laws that currently apply to digital-asset firms. NCRC further stated that stablecoin issuance raises systemic-risk considerations because national trust banks do not have deposit insurance and are not covered by a resolution framework comparable to that applied to insured institutions.

Sony Bank’s application. On October 6, Sony Bank applied for OCC approval to organize Connectia Connectia as a *de novo* national bank to engage in cryptocurrency-related activities. The application notes that Connectia is planned to engage “in certain digital asset activities” that the OCC has previously found to be permissible under existing national bank legal authorities. These include the issuance of dollar-pegged stablecoins and maintenance of corresponding reserve assets, the provision of non-fiduciary digital asset custody services, and the provision of asset management services as fiduciary to certain affiliates.

Companies: Bank Policy Institute; Connectia Trust, N.A.; Independent Community Bankers of America; National Community Reinvestment Coalition; Sony Bank Inc.; Sony Financial Group Inc.

RegulatoryActivity: BankingOperations Blockchain CommunityDevelopment DepositInsurance FederalReserveSystem FinancialIntermediaries FinancialStability FinTech

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