

# Standard Chartered Bank Crypto Custody

December 2024



standard  
chartered

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# Group Strategic Approach



“ We see digital assets as an important part of the future of financial services and we are committed to investing in the infrastructure and talent necessary to be a leader in this space

Bill Winters  
Group CEO



## Digital Assets part of the Bank's Core Strategy

Standard Chartered considers Digital Assets an **important and permanent** part of the future of financial services, reinforced by continuing institutional client demand and an increased focus of regulators on digital assets, which we welcome.

**5 pillars: Access, Execution,  
Custody, Tokenisation and Interoperability**

## Digital Asset initiatives in Standard Chartered

### Corporate and Investment Banking (CIB)



### Wealth and Retail Banking (WRB)



### Ventures



### Advocacy, Industry and Regulatory Engagement:

BIS | CBUAE/DFSA | Global Digital Finance | UK Finance / UK RLN Project  
| HKMA | Institute of International Finance | CFTC GMAC | PRA/ FCA



# Legal, Regulatory Considerations

The following are examples of legal and regulatory considerations in relation to crypto custody

## LEGAL & REGULATORY

Legal and regulatory considerations for the custody of crypto assets encompass a range of topics to meet **compliance requirements, security and protection of client assets.**

Legal Status of Digital Assets (DA)

Scope of Custody  
(true custody vs deposit/pledge/staking)

Ownership  
(legal and beneficial rights)

Licensing

Segregation and  
Safeguarding of Client's DA

Custody  
Agreement

Jurisdictional Analysis  
& Regulatory Engagement

Capital/Prudential  
Regulations

Compliance with  
Financial Regulations  
(e.g. FATF, AML and CFT)



# Advocacy, Industry and Regulatory Engagement

We continue to engage with national and international regulatory and industry bodies

## 01 **BIS**

We have applied to participate in Project Agora for the following currencies: USD, GBP, EUR and KRW

## 05 **HKMA**

Responded to consultations on DA custodial services; sale and distribution of tokenised products; and proposed regime for stablecoin issuers

## 02 **CBUAE and DFSA**

We responded to CBUAE's consultation on a regulatory framework for Payment Token Services, and DFSA's consultation on regulation of crypto tokens.

## 06 **Institute of international Finance**

SC continues to co-chair the IIF Digital Assets Forum for IIF with Oliver Wyman and Coinbase.

## 03 **Global Digital Finance (GDF)**

We continue to work with GDF on enhancing utility of the GDF Global Cryptoasset Standards.

## 07 **CFTC GMAC**

We continue to participate in GMAC, recent focus has been on Utility and Governance tokens

## 04 **UK Finance / UK RLN project**

We formally committed to participation in UK RLN at end-2023, primarily in an observer role given minimal retail UK business

## 08 **PRA and FCA**

We have regular quarterly meetings since 2021 on Digital Assets





# Standard Chartered's Strong Global Presence

Our presence in **53 markets** and a network serving clients in a further **64**

## Africa & Middle East

Bahrain | Botswana | Cote d'Ivoire | Egypt | Ghana | Iraq | Kenya | Mauritius | Nigeria | Oman | Pakistan | Qatar | Saudi Arabia | Saudi Arabia (Al Olaya District) | South Africa | Tanzania | United Arab Emirates | Uganda | Zambia

## Europe & Americas

Argentina<sup>1</sup> | Belgium<sup>1</sup> | Brazil | Colombia | Falkland Islands | France | Germany | Jersey | Poland | Sweden | Türkiye | United Kingdom | United States

## Asia

Australia | Bangladesh | Brunei | Cambodia | India | Indonesia | Laos | Malaysia | Myanmar<sup>1</sup> | Nepal | Philippines | Sri Lanka | Singapore | Thailand | Chinese Mainland | Vietnam | Hong Kong | Japan | Macau | South Korea | Taiwan

**\$34.3bn**  
CET1 capital in FY23

**14.1%**  
CET1 ratio

<sup>1</sup>Representative office

Source of information: Standard Chartered Annual Report 2023

A simplified business model complimented by a full spectrum of products and solutions for every client segment

## Corporate and Investment Banking (CIB)

Supporting companies across the world, from small and medium-sized enterprises to large corporates and institutions, both digitally and in person.

### Financial Markets

Project and transportation finance

Debt capital markets and leveraged finance

Sales and structuring

Macro, commodities and credit trading

Financing and securities services

### Transaction Banking

Cash Management

Trade finance

Working capital

## Wealth and Retail Banking

Serving the local and international banking needs of clients across the full wealth continuum via Private, Priority and Personal Banking, as well as Small and Medium Enterprises via SME Banking.

### Wealth Management

Investments

Portfolio management

Insurance

Wealth advice

### Retail Products

Deposits

Mortgages

Credit cards

Personal loans

## Ventures

Promotes innovation, invests in disruptive financial technology and explores alternative business models. It represents a diverse portfolio of over 30 ventures and more than 20 investments including:



# Financing & Securities Services

## Our franchise

**Delivering  
solutions at scale**

**USD 1.6 trillion**  
assets under custody

**USD 260 billion**  
assets under administration

**~1,100**  
experienced professionals

**1.6 million**  
average monthly transactions

**75+**  
annual awards / accolades

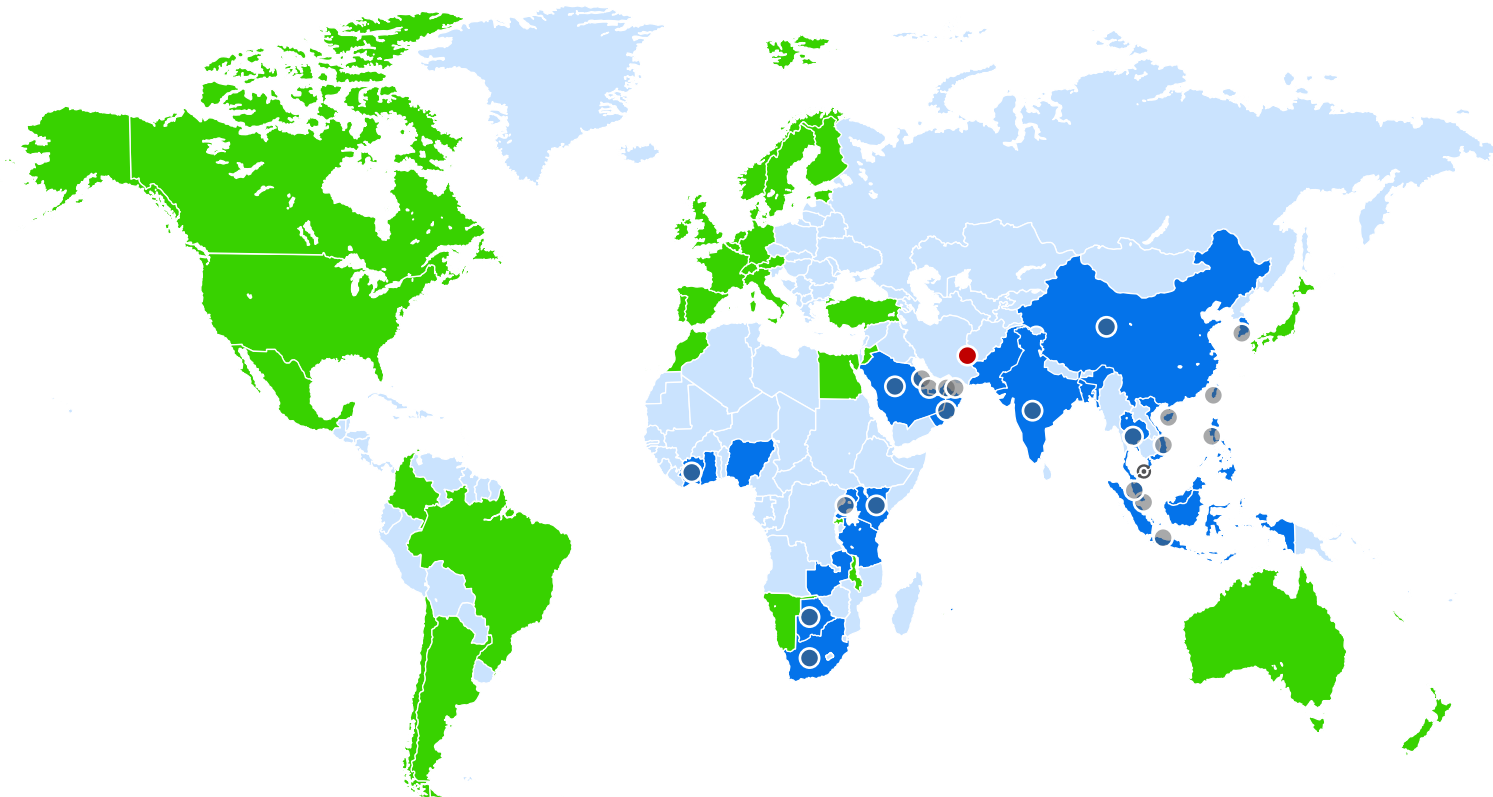
**39** Custody & Clearing  
Footprint Markets

**60+** Custody & Clearing  
non-footprint markets

**4** Custody  
hubs

**22** Fund administration and  
/ or fiduciary services  
footprint markets

**4** Digital Assets  
Locations



# Crypto Custody

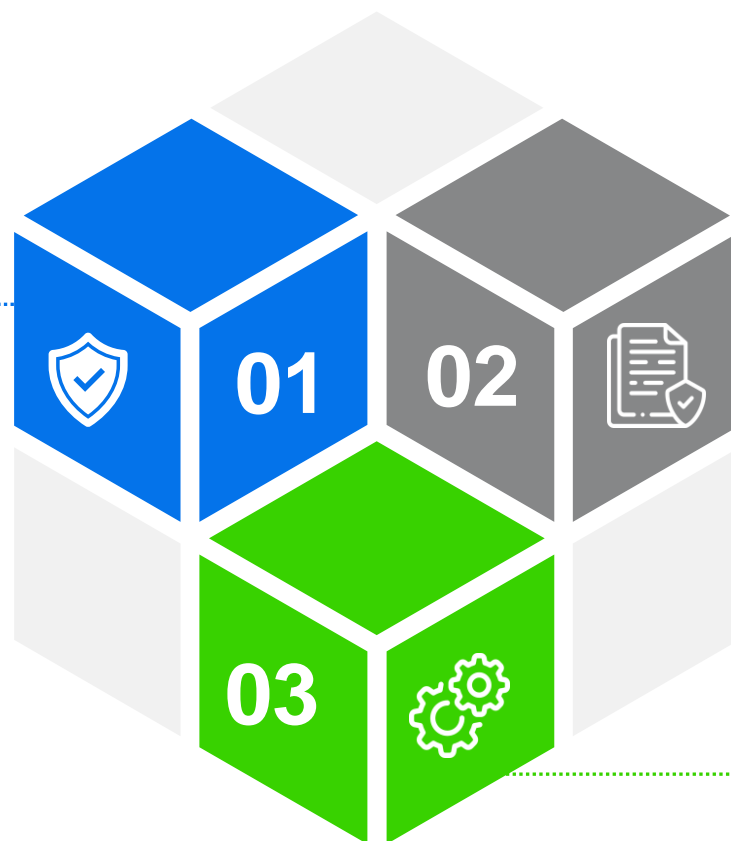
## Key Features

### Security

- Award winning and **secure** digital banking platform, Straight2Bank.
- Featuring **Secure access using MFA, secure transaction signing, end to end encryption** and advanced entitlements.
- **Segregated wallets.**

### Internal and external assurance

1. Bank security audits
2. Continuous monitoring and penetration testing
3. Vendor systems with SOC and ISO audits and certifications



### Compliance

- Compliance with global and local regulatory requirements **including Sanctions, AML/CFT, Travel Rule and Data Privacy.**

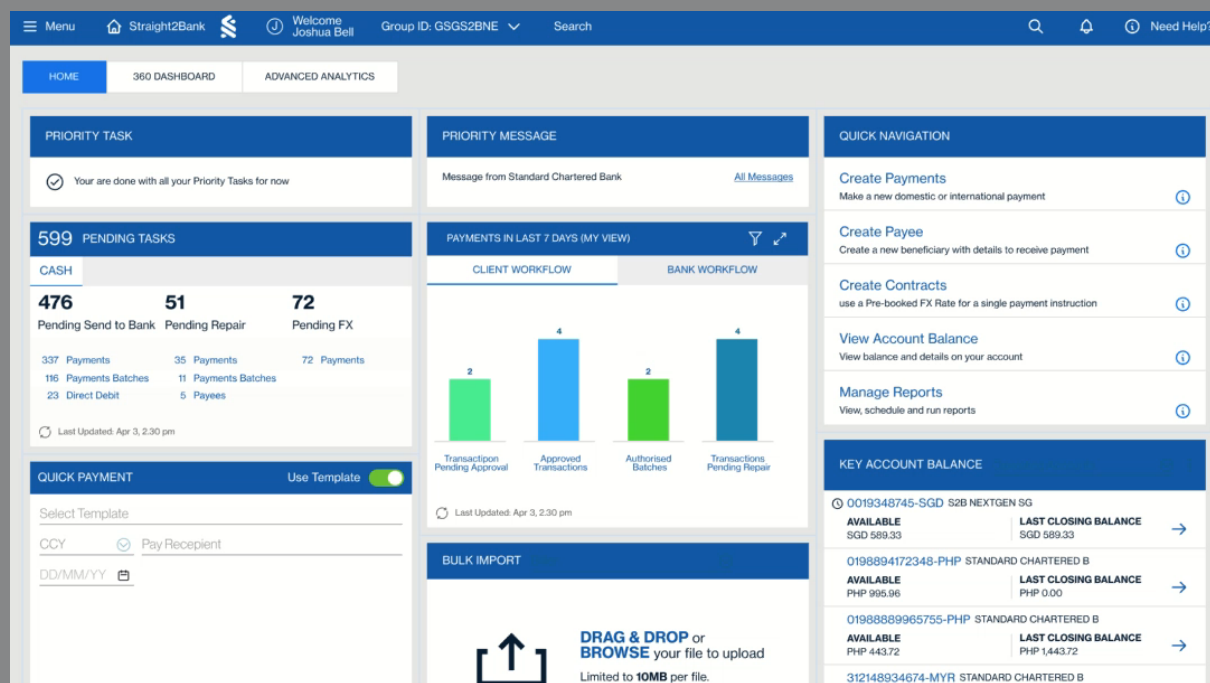
### Performance

- **Full STP** with omni-channel delivery
- Highly **secure air-gapped** cold wallet with hot wallet speed.





# Wallet Dashboard



- **Aggregate data** from the blockchain and internal sources.
- **Real-time FX rates** from external and internal APIs.
- **Drill-down** into wallets for detailed transaction history.
- **Status of assets** as available, incoming, outgoing, and on-chain.



# Counterparty Management

Digital Asset Custody

Wallets Counterparty

+ New Counterparty

Counterparty

Active 21 Pending Authorisation 5 Processing 12

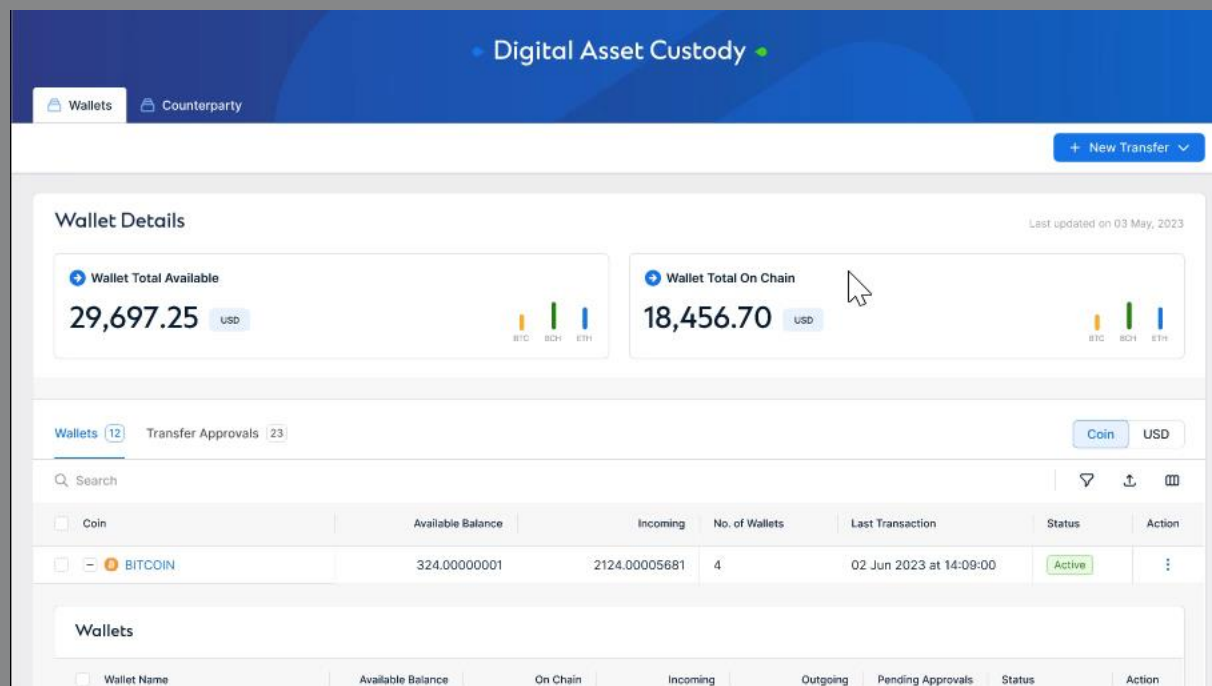
Search

<input type="checkbox"/> Counterparty Name	Last Updated	Maker	Crypto Address	Entity Type	Status	Action
<input type="checkbox"/> + Beneficiary Name 1	23 May 2023 10:30	Frank Palmer	2	Organization	Pending Auth.	⋮
<input type="checkbox"/> + Beneficiary Name 2	23 May 2023 10:30	Frank Palmer	2	Organization	Processing	⋮
<input type="checkbox"/> + Beneficiary Name 3	23 May 2023 10:30	Frank Palmer	4	Organization	Active	⋮
<input type="checkbox"/> + Beneficiary Name 4	23 May 2023 10:30	Frank Palmer	4	Organization	Active	⋮
<input type="checkbox"/> + Beneficiary Name 5	23 May 2023 10:30	Frank Palmer	2	Organization	Active	⋮
<input type="checkbox"/> + Beneficiary Name 6	23 May 2023 10:30	Frank Palmer	1	Organization	Failed	⋮
<input type="checkbox"/> + Beneficiary Name 7	23 May 2023 10:30	Frank Palmer	2	Organization	Declined	⋮

- The Due Diligence on VASPs ensures that **only approved VASPs are available** for clients to choose from during counterparty set up.
- Counterparty and VASP screening during setup and on an ongoing basis.
- Point of transaction and ongoing **screening** using Chainalysis
- Clients can only send and receive assets within a **walled garden**



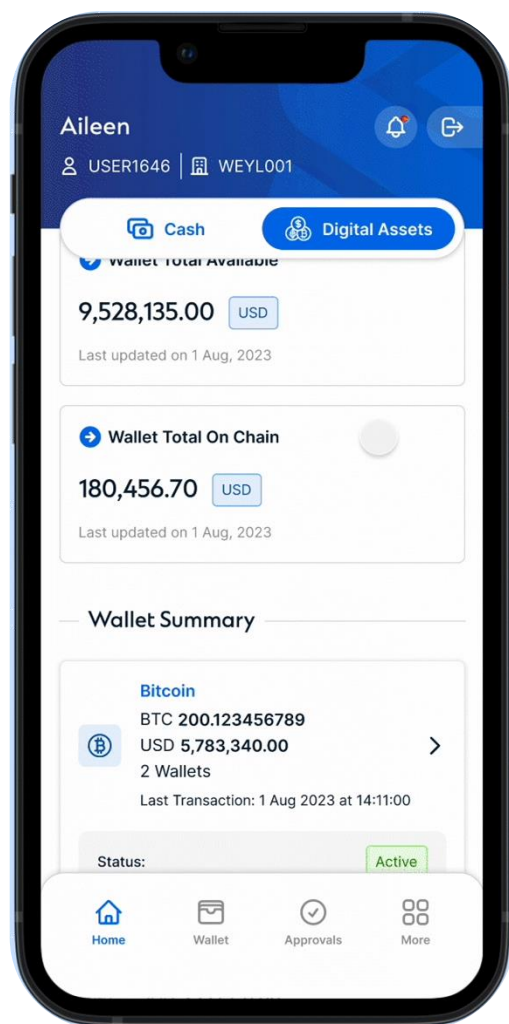
# Transaction Management



- Clients benefit from the enhanced experience of secure storage provided by the **cold wallet**, and the **transaction speed of a hot wallet**.
- Transfers can be initiated from multiple areas in the platform with **pre-filled information** based on the source.
- The system estimates **near real-time indicative network fees** to provide clients with a total transaction amount to ensure there are sufficient funds for a transfer.
- **Network fees are set high**, to ensure transaction priority.



# DAC via Mobile



Clients able to access key functionality and approve transactions **on the go**



# Thank You

