BitGo

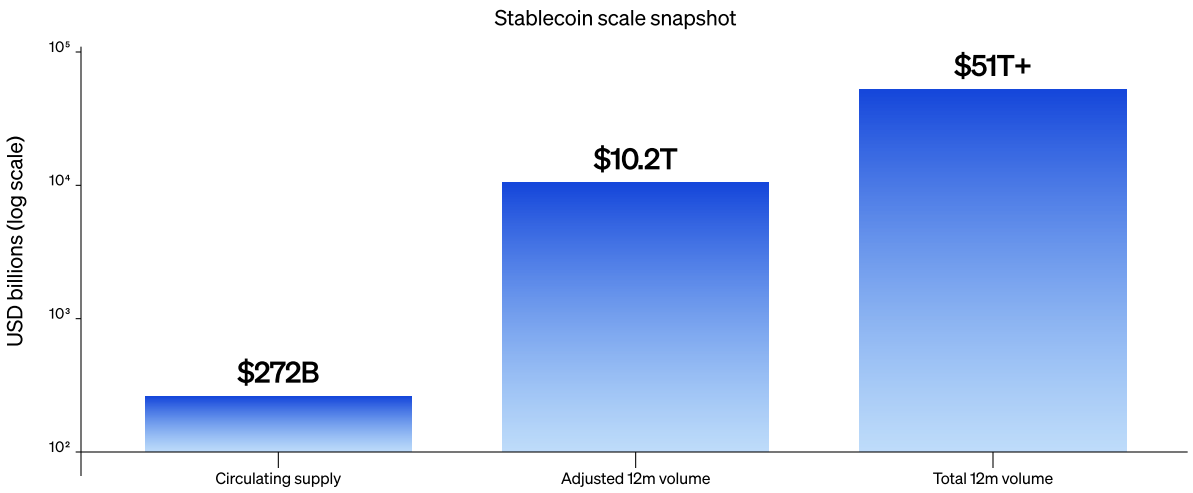


How to Embed Crypto Into Your Business

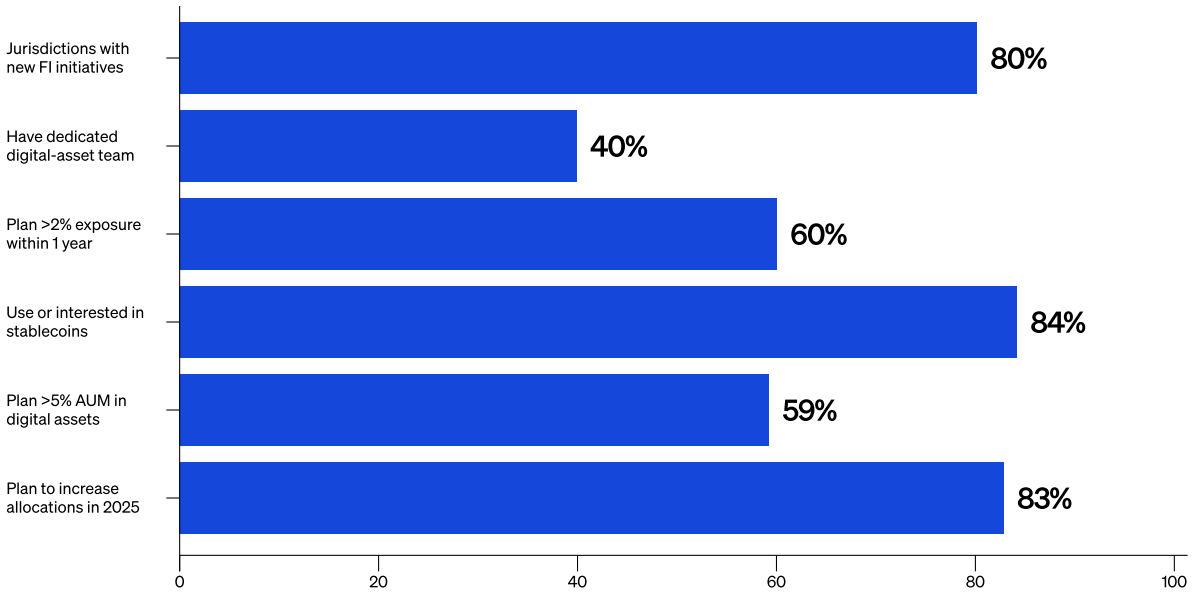
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A Crypto-as-a-Service Guide for Banks and Fintechs

Digital assets are no longer on the fringe of finance. Fueled by a surge in institutional adoption, they have become the operating infrastructure underpinning custody, trading, settlement, treasury, and payments. Stablecoins alone now represent more than $272 billion in circulating supply, about $10.2 trillion in adjusted transaction volume over the last 12 months, and more than $51 trillion in total on-chain volume. Institutional demand is moving with that shift: EY found that 83% of surveyed institutions planned to increase digital asset allocations in 2025, and State Street found that most expect digital asset exposure to double within three years.



SOURCE: VISA ONCHAIN ANALYTICS DASHBOARD, ACCESSED APR 2026



SOURCES: EY 2025 SURVEY; STATE STREET 2025 DIGITAL ASSET SURVEY; TRM LABS 2025/26 POLICY OUTLOOK

The broader investment case is strengthening as well. EY's 2025 survey found that 59% of respondents planned to allocate more than 5% of AUM to digital assets or related products, and 84% either already use or are interested in stablecoins. State Street's 2025 research found that 60% planned to raise digital-asset exposure above 2% within a year, while 40% already had a dedicated digital-assets team or business unit.

The data shows that payments, treasury, and settlement are the fastest-moving operational use cases; fintechs tend to move fastest on embedded wallets and trading features; and banks and asset managers are moving more deliberately, with heavier emphasis on custody, compliance, and tokenization.

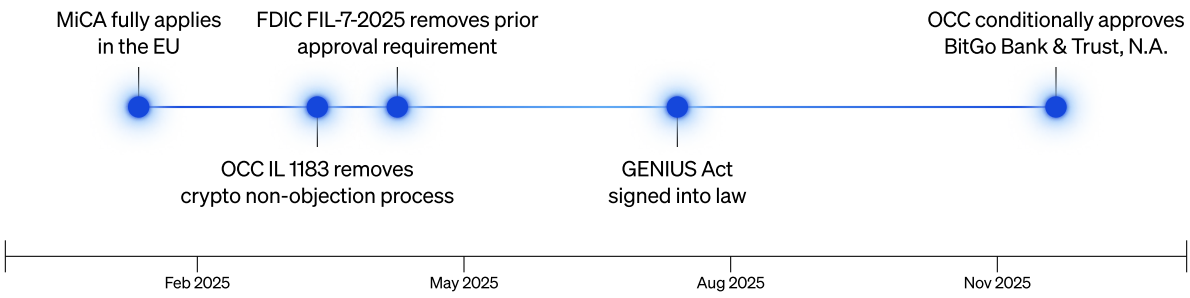
For banks and fintechs, the practical question is no longer whether digital assets matter. It is whether they can offer them in a way that fits existing governance, compliance, and operating models. This is critical for three reasons:

1. Recent regulatory changes have lowered some of the launch friction that kept many businesses on the sidelines.
2. Beyond retaining clients, digital assets unlock tangible new revenue streams, from custody fees and trading spreads to staking yield and crypto-backed loans, while turning traditionally costly settlement and payments infrastructure into a margin driver.

What Changed in the Regulatory Environment?

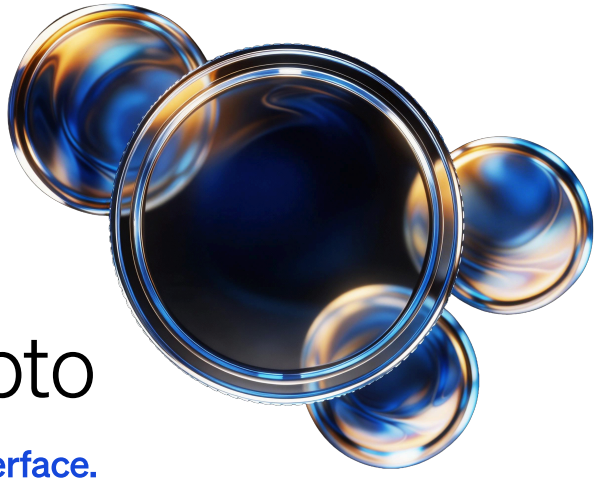
The regulatory backdrop is materially better than it was a few years ago. In the U.S., the OCC's March 2025 Interpretive Letter 1183 removed the earlier crypto non-objection process and reaffirmed that national banks may conduct previously approved crypto custody, stablecoin, and related activities subject to normal supervision. The FDIC followed in March 2025 by rescinding its prior notification requirement and confirming that FDIC-supervised institutions may engage in permissible crypto-related activities without prior approval, provided risks are managed appropriately. In July 2025, the GENIUS Act was signed into law, creating a federal framework for payment stablecoins.

Regulatory milestones that lowered launch friction



SOURCES: ESMA, OCC, FDIC, WHITE HOUSE

This shift in regulation is showing up globally. In the EU, MiCA created an EU-wide licensing framework for crypto-asset service providers, making it easier to operate across member states under a single regulatory regime. TRM Labs also found that more than 70% of reviewed jurisdictions progressed stablecoin regulation in 2025, and that financial institutions in about 80% of those jurisdictions announced new digital-asset initiatives. The signal is not that regulation is finished. It is that the direction is now clearer, and that clarity is making decisions to integrate digital assets easier to defend internally.



Understanding the Struggles to Adding Crypto

The main challenge in crypto integration is not the interface. It is the operating engine underneath it.

Most businesses can design a front-end, price a product, and define a customer segment. The harder problem is deciding which legal entity will support the offering, which jurisdictions are in scope, what onboarding standards apply, how wallets and approvals should work, and how fiat and digital asset movement will be controlled after launch. These decisions shape the product far more than the interface does.

Licensing is usually the first constraint. Before a bank, fintech, brokerage, or payments company can offer digital asset functionality, it needs a clear view of which activities sit inside the regulatory perimeter and which entity is responsible for them. It is also one reason many businesses find that crypto expansion becomes an operating and legal exercise well before it becomes a technical one.

Onboarding and intake creates the second layer of complexity. It often depends on document collection, identity verification review, sanctions screening, entity verification, approvals, contract sequencing, and product activation rules that vary by customer type and jurisdiction. Banks and fintechs often discover that the bottleneck is not customer demand, but the ability to approve, manage, and support users in a controlled, but still effective way.

Custody architecture is a third source of friction. Traditional financial systems were not designed around wallet creation, key management, recovery procedures, transaction signing, or asset-specific approval chains. Banks and fintechs therefore need to make explicit choices about custody model, segregation, recovery design, and who can authorize movement of funds. Those choices are operational, but they also affect governance and the ability to meet regulatory requirements.

Granular policy controls matter as much as custody. A crypto product can be technically functional and still operationally weak if approval rules, address controls, spending thresholds, and exception handling are not defined in advance. Institutions need clear transaction governance and segregation of duties before activity scales. Without that, a single control failure can overwhelm the expected economics of the product through loss, transfer delays, missed execution windows, liquidations, or stranded funds.

Ongoing support and development are additional considerations. The first version of a crypto product is rarely the last. New assets, features, jurisdictions, controls, and changing support requirements usually follow the initial launch. Banks and fintechs therefore need a modular operating model that can innovate alongside product expansion without forcing a second infrastructure build or a large increase in internal complexity.

What ties these issues together is that digital asset integration is dependent on the operating model. Institutions that treat crypto as a narrow front-end add-on often end up rebuilding core controls later. Those that start with licensing, onboarding, custody, operational control, and settlement are in a stronger position to launch something secure and regulatory compliant.



Benefits of Modular Crypto-as-a-Service

A modular Crypto-as-a-Service model changes the launch path by replacing a fragmented build with a provider-managed pick and choose stack. Some businesses may start with custody and trading. Others may start with transfers, staking, or stablecoin-based money movement.

The institution still owns product scope, customer disclosures, risk appetite, and vendor oversight. But the provider can supply selected features in a modular way such as user onboarding with KYC or KYB workflows, asset management with wallets, funding rails, transfers, trading, and settlement behind the institution's own user experience. Imagine onboarding, sanctions screening, on-ramps, custody, user management, transactions, off-ramps, segregated wallets, regulatory licensing being all available inside the same CaaS environment.

Rather than stitching together point solutions, a modular CaaS model gives institutions a consistent operating stack they can build on, staging releases at their own pace without sacrificing regulatory coherence.

Build vs. Buy: The Strategic Decision

A build strategy gives the company maximum control over the backend. It also creates a permanent operating obligation.

Banks and fintechs that build in-house take on complicated technology and security concerns around wallet architecture, key management, onboarding, fiat connectivity, settlement ability, security operations, and regulatory work across the life of the product. That can make sense when digital assets are the core business, the company already has the right regulated footprint, or they are willing to fund a dedicated security and operations capability. Most banks and fintechs do not fit that profile.

A buy model moves the hard parts to the infrastructure partner that should own them. The business still controls the customer experience, commercial strategy, and product roadmap. The partner supplies the backend: licenses where available, onboarding, wallets, transfers, trading, policy controls, and settlement rails.

Build vs. Buy Comparison Matrix

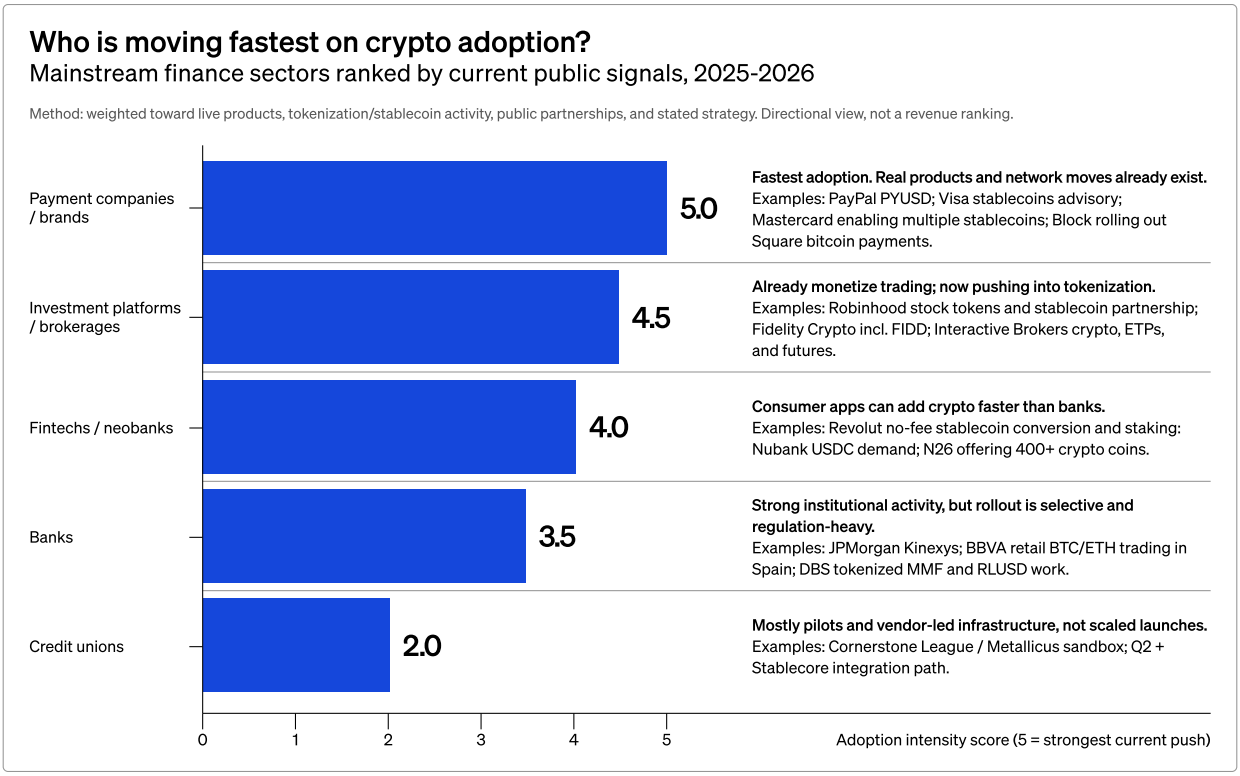
Decision Area	Build In-House	Partner via CaaS
Time to market	Longer. The company must build from scratch the stack before launch.	Shorter. Clients can launch with modular APIs and existing infrastructure.
Regulatory compliance	The business bears the full licensing and entity burden.	Clients can leverage a third-party's regulated entities where applicable.
Secure Asset Management	Internal teams must design and operate wallets, keys, asset recovery, and controls.	Clients plug into secure custody and wallet models purpose-built for digital assets.
User Onboarding	Identity verification such as KYC/KYB, document review, account activation, must be built or sourced separately.	KYC and KYB sit inside the same operating stack, with accurate identity verification workflows.
Account Controls	Approvals, whitelists, and any custom controls must be built internally.	Policy controls are already available and configurable.
Fiat and settlement	The business must connect banking rails, ledgers, and post-trade movement.	Funding and settlement can run through a partner's existing rails.
Security operations	Internal security teams carry the full burden.	The CaaS partner runs the core crypto infrastructure and associated controls.
Insurance	The company must source and structure coverage itself.	Depending on the CaaS partner, there may be pre-existing insurance coverage.
Ongoing Upkeep Costs	High and permanent.	Lower internal burden, with more focus on governance and vendor oversight.

To roughly summarize the tradeoffs:

A build path allows backend sovereignty but at a high fixed cost. A buy path buys speed and the path to unlock new monetization streams in weeks not years.

Sector Playbooks: How Needs Differ by Business Type

Banks, credit unions, fintechs, brokerages, and payment companies may not need the same digital asset functionality product, leading them to have differing business needs and therefore different products and features.



Due to the intense regulatory scrutiny that banks endure, they often seek to have a defensible operating posture that provides highly secure custody and advanced account control. Banks can monetize these features through charging for custody and transactions.

Fintechs and neobanks tend to prioritize speed to launch, product expansion, and keeping user activity inside the app. Embedded wallets, buy and sell functionality, funding rails, transfers, and staking all support that goal. A fintech that keeps its users on-platform captures more volume, drives more engagement, and retains more of the customer relationship.

Payment and stablecoin companies operate in a different lane. Their core challenge is moving assets reliably across borders and outside banking hours while maintaining clear custody and settlement controls.

Industry Priorities Matrix

SECTOR	PRIMARY OBJECTIVE	MUST-HAVE CAPABILITIES	MONETIZATION STREAMS
Banks	Add digital assets without weakening governance	Qualified custody, trading, onboarding, reporting, policy controls, fiat connectivity	Custody fees, spreads, client retention, payments, and treasury expansion
Credit Unions	Offer members access to crypto without building a specialized team	White-labeled UI, custody, buy/sell, onboarding, support workflows, controls	Member retention, service fees
Fintechs / Neobanks	Launch quickly and keep user activity inside the platform	Wallets, on/off ramps, trading, transfers, KYC/KYB, policy engine	Custody fees, trading spreads, wallet revenue, higher user engagement
Investment Platforms / Brokerages	Extend execution and asset servicing into digital assets	Trading, custody, settlement, reporting, approvals	Spreads, premium services, custody revenue
Payment Companies / Brands	Add programmable money movement and treasury rails	Stablecoins, wallets, transfers, settlement, KYC/KYB, liquidity access	Transaction fees, treasury efficiency, B2B expansion

Selecting a CaaS Provider and Applying the Criteria to BitGo

This section introduces the common issues that banks and fintechs encounter when bringing crypto into their product suite. It then explains how BitGo's CaaS solution solves these issues with a combination of security and technical expertise, robust licensing, insurance coverage, and convenient product feature modularity via APIs.

Choosing a CaaS provider starts with operating fit, not feature count. What matters is whether the provider can solve real launch constraints while allowing the business to govern, monitor, and explain. The clearest way to evaluate that is to work through each pain point and ask how a provider like BitGo addresses it.



Regulatory Scope

The problem is not just adding crypto functionality. It is determining which legal entity supports the product, which jurisdictions are in scope, and which services sit inside that perimeter. For banks and fintechs, that affects launch sequencing, eligible customers, disclosures, and the division of responsibilities between the business and the provider.

BitGo pairs technology with a regulated operating footprint. It has BitGo Bank & Trust, National Association in the United States under the OCC licensing that unlocks digital asset trading in all 50 states, BitGo Europe GmbH under MiCAR, and BitGo Singapore with a Major Payment Institution license.

Custody Architecture

The problem around offering custody is that many businesses underestimate what goes into securing a digital assets wallet for institutional use cases. The real questions involve wallet structure, approval logic, recovery design, and whether the custody model can support auditability and segregation of duties from the start.

BitGo presents an explicit custody and wallet model. BitGo uses multi-signature and MPC-based approaches, along with role-based access controls and policy management. For banks and fintechs, that matters because the provider is not just offering connectivity. It is offering a defined control architecture that can support a more durable operating model.

Policy Controls

The problem is that a product can be live and still be operationally weak if transaction rules, approval chains, address controls, and thresholds are not clearly defined. Banks and fintechs need a provider whose controls can be understood in practical terms, not treated as a black box.

BitGo has a purpose-built policy engine and admin console built around approvals, address controls, transaction thresholds, and other operating conditions. This gives businesses a clearer path to separation of duties and repeatable transaction governance. It also makes it easier for the provider to do diligence because the control layer is built as a system, not just a promise.

Operational Integration

The problem is that crypto products often look integrated from the frontend while the backend is stitched together from separate services. That creates friction in onboarding, account setup, funding, trading, transfers, and settlement, especially once the business tries to scale.

BitGo's CaaS offering is a modular but fully connected and vertically integrated stack. It has regulatory support, KYC and KYB, funding rails, wallets, trading, transfers, and policy controls as part of one operating model. That is important for banks and fintechs because phased rollout works better when the product can expand without forcing a second infrastructure build.

Insurance

The problem is that some custodians do not insure the digital assets they custody, leaving clients vulnerable to catastrophic exploits or hacks.

BitGo maintains up to $250 million in insurance coverage, in instances where BitGo holds all three keys. It also separates digital asset coverage from assumptions associated with FDIC or SIPC protected accounts. That is the right level of clarity for banks and fintechs evaluating provider risk.

BitGo Takeaway

Taken together, these criteria make provider selection more concrete. A business needs to test whether a provider can solve regulatory, custody, control, integration, and insurance pain points in a way that supports a real product launch. On that basis, BitGo is the crypto-as-a-service provider, purpose-built for banks and fintechs that need both infrastructure and operating structure, not just crypto APIs.

Launch Plan Using BitGo's CaaS

A phased rollout for a bank's or fintech's partner-enabled crypto product can look like this.

PHASE 1

Define the first product and use case

Choose the target user group, jurisdiction, and first use case. Some institutions want to start with custody and the ability to buy/sell. Others start with wallets, transfers, or stablecoin payments. Product scope drives licensing, onboarding, and control requirements. BitGo's wallet stack supports segregated wallets, custody and self-custody options, and both MPC and multisignature flows.

PHASE 2

Set up onboarding and contracts

Identity verification and product integration should be live before the product goes public. BitGo's programmatic KYC and KYB flows are built for this. Product access follows verified identity and signed contracts.

PHASE 3

Connect funding and settlement

A crypto product is only as usable as its money movement layer. Clients need funding rails, internal accounts, transfers, and settlements that match the product they are launching. BitGo's CaaS stack supports wire, ACH, and SEPA, while Go Accounts and Go Network support off-chain settlement with assets remaining in cold storage.

PHASE 4

Set policy controls before volume arrives

Approval thresholds, whitelists, transaction rules, and exception handling should be in place before the first real spike in activity. Institutions that postpone this work end up rebuilding controls under pressure. BitGo's advanced policy engine allows clients to customize their rules and controls to ensure account security.

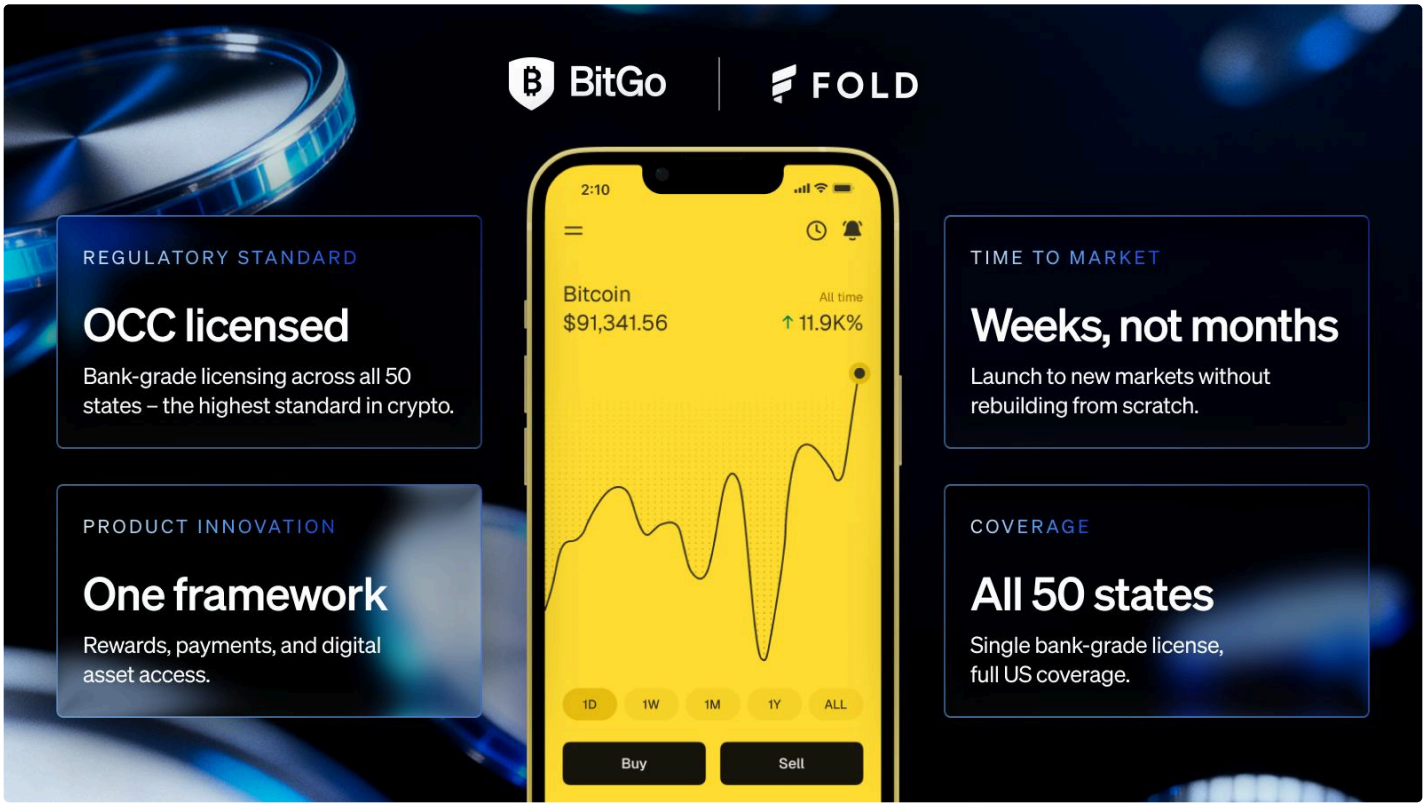
PHASE 5

Launch narrow and expand from real usage

Launch with a focused scope, enough to prove demand and exercise the control stack. From there, expand into additional assets, geographies, and advanced capabilities like staking, lending, or complex payment flows as real production usage guides the roadmap. BitGo's platform breadth makes that staged growth possible without rebuilding infrastructure along the way.

Case Study: Fold

Fold is a U.S.-based bitcoin financial services company built around consumer products that allow their users to earn, save, and spend bitcoin. As the business expanded from bitcoin rewards into payments and savings, the operating requirements changed. Higher transaction volumes, stronger control standards, and public-company expectations required a more formal custody and compliance framework than a standalone product build could easily support.



BitGo is the infrastructure layer that made Fold's expansion workable. By combining BitGo Bank & Trust with its CaaS stack, Fold embedded bitcoin functionality into its existing frontend through a single platform — covering qualified custody, buy and sell capability, and fiat on- and off-ramps without the complexity of building in-house.

BitGo's OCC-regulated bank charter also resolved a key distribution constraint, giving Fold access to all 50 U.S. states without navigating a fragmented state licensing model.

The partnership worked because BitGo sits at the center of the model, not the edge of it. Fold owns the client relationship and product experience; BitGo provides the regulated foundation, custody infrastructure, and operational controls underneath. The outcome is faster expansion, broader reach, and an unified internal stack, illustrating exactly what CaaS is designed to deliver for businesses.

Conclusion

The key takeaway is this. Banks and fintechs that want to embed digital asset capabilities into existing products now have a more practical path to market. CaaS helps them retain client activity, broaden product offering, and participate more directly in demand that might otherwise move to external platforms.

Crypto-as-a-Service supports that outcome by reducing the need to build and operate the full infrastructure stack internally. It gives institutions a more efficient path to launch capabilities such as custody, trading, wallets, stablecoin payments, and settlement, while limiting the operational burden of developing those systems from scratch.

BitGo is a strong example of this model because it brings together regulated entities for licensing support, verified onboarding of users, qualified custody, custom policy controls, and settlement within a single operating framework. The advantage is a more efficient path from product concept to launch, with clearer path to monetization and less internal complexity to build.

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