

2024 / Investment Adviser Compliance Conference

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EFFECTIVE STRATEGIES & BEST PRACTICES

Safeguarding/Custody

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**EFFECTIVE STRATEGIES
& BEST PRACTICES**

Current Challenges

Enforcement cases

Examinations

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Proposed Safeguarding Rule

Expanded Scope of the Rule

- Expansion to “assets” from “funds and securities”
- Discretionary trading authority triggers the rule

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Proposed Safeguarding Rule (continued)

Qualified Custodian Requirements

- Possession and Control Requirement
- QC contract requirements and reasonable assurances

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Proposed Safeguarding Rule (continued)

Exceptions to QC Requirements

- Privately Offered Securities/Physical Assets
- Discretionary Trading authority over DVP assets

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Proposed Safeguarding Rule (continued)

Miscellaneous

- Recordkeeping
- ADV updates

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Proposed Safeguarding Rule

Industry perspectives

- Institutional
- Retail
- Multiple business lines
- Smaller advisers

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Takeaways

Rulemaking status

Issues to be determined

Potential impacts

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