

David Dickstein Shares Insight With *FinOps Report* on the SEC's Proposed Custody Rule

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Financial Markets and Funds partner David Dickstein spoke with *FinOps Report* on industry concerns surrounding the Securities and Exchange Commission's (SEC) proposed custody rule changes requiring registered investment advisers (RIAs) to select a qualified custodian to safeguard their assets. David notes that one hurdle for RIAs is the requirement to draft contracts with qualified custodians. He stated, "The legal departments of RIAs would have to renegotiate the terms of dozens of agreements with custodians."

Another challenge RIAs face is having even stricter conditions to gain exemption from the qualified custodian requirement for privately held assets. David added, "Practically speaking, the RIA would have to show it could not find a qualified custodian for privately held assets capable of fulfilling the SEC's requirements."

["SEC's Proposed New Custody Rule Fails Industry Litmus Test,"](#) *FinOps Report*, July 24, 2023

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