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## ICI Comment Letter on Safeguarding Advisory Client Assets

The Investment Company Institute fully agrees with the Commission's goals to protect the integrity of investor assets from risk of loss, misuse, theft, or misappropriation. ICI believes, however, that the Proposal places onerous new responsibilities on custodians and advisers and provides little evidence that the proposed changes will better protect client assets.

For the first time, the Commission would equate an adviser's discretionary trading authority over client assets with having custody of those assets and require advisers, rather than their clients, to enter into a contract with the client's custodian. We oppose these changes because doing so is unnecessary and yet will create a significant number of practical difficulties. For example, equating discretionary trading with custody could cause advisers to be deemed to have custody over thousands of additional client accounts despite no change in the adviser's relationship with the client.

Read more in the comment letter.

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