

ALERTS

SEC Custody Rule Update for Private Fund Managers

August 15, 2013

The Securities and Exchange Commission's Division of Investment Management recently issued a Guidance Update regarding the Custody Rule (Rule 206(4)-2 under the Investment Advisers Act). The Guidance Update states that the Division will not require a registered investment adviser to hold certain certificated "privately offered securities" with a qualified custodian, thereby resolving a Custody Rule issue faced by many private fund managers. The Guidance Update should be evaluated in the context of other actions and statements on the Custody Rule recently issued by SEC staff.

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