

MEMO# 35195

March 17, 2023

ICI Joins 12 Other Trade Associations in Requesting Extension of Comment Deadline for SEC Safeguarding Proposal

[35195]

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TO: ICI Members SUBJECTS: Compliance
Investment Advisors

Operations RE: ICI Joins 12 Other Trade Associations in Requesting Extension of Comment Deadline for SEC Safeguarding Proposal

On February 15, 2023, the SEC approved a proposal that would expand the scope of the current Investment Advisers Act custody rule (Rule 206(4)-2) and impose significant new requirements on qualified custodians and investment advisers that have custody of client assets under the rule. [\[1\]](#)

On March 3, ICI joined 12 other trade associations in submitting a letter to the SEC requesting that the Commission extend the deadline for comment on the proposal. In the letter, ICI and other trade organization signatories stated that the proposal “is broad based, complex, and technical, proposing changes that will drastically and permanently alter the custody business model and the prevailing market for custody services.” Accordingly, the letter requests that the comment deadline be extended by an additional 60 days to provide commenters with sufficient time to perform the level of analysis that the proposal warrants. The current deadline for comments is May 8, which is 60 days after publication in the Federal Register.

ICI expects to circulate a draft comment letter for member feedback in the coming weeks. If members have concerns or comments they would like to raise in the meantime, please reach out to Josh Weinberg (joshua.weinberg@ici.org) or Erica Evans (erica.evans@ici.org).

Erica Evans
Assistant General Counsel

[\[1\]](#) Safeguarding Advisory Client Assets, SEC Release No. IA-6240; (Feb. 15, 2023) (the “proposal”), available at <https://www.sec.gov/rules/proposed/2023/ia-6240.pdf>.

For more information, please see ICI’s memo summarizing the proposal, which is available

at <https://www.ici.org/memo34961>.

[35195a.pdf](#)

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