U.S. Securities and Exchange Commission

Response of the Office of Chief Counsel
Division of Investment Management

September 30, 2025 Your letter dated September 30, 2025 requests our assurance that we would not recommend enforcement action to the Securities and Exchange Commission (the “Commission”) under (i) Section 206(4) of the Investment Advisers Act of 1940, as amended (the “Advisers Act”), and Rule 206(4)-2 thereunder or (ii) Sections 17(f) and 26(a) of the Investment Company Act of 1940, as amended (the “1940 Act”), and the rules thereunder (such statutory provisions and rules in clauses (i) and (ii) of this sentence, the “Custody Provisions”) against investment advisers registered under the Advisers Act (the “Registered Advisers”) or issuers registered as investment companies under the 1940 Act, or that have elected to be regulated as business development companies under the 1940 Act (such issuers, collectively, the “Regulated Funds”), respectively, for treating a State Trust Company as a “bank,” as defined in the Advisers Act and the 1940 Act (and, therefore, a permissible custodian of assets), with respect to the placement of Custody Assets (as defined in your request) and cash and cash equivalents necessary to effect transactions in Crypto Assets (“Related Cash and/or Cash Equivalents”). Based on the facts and representations set forth in your letter, we would not recommend enforcement action to the Commission against Registered Advisers or Regulated Funds if they treat a State Trust Company as a bank for purposes of the Custody Provisions with respect to Custody Assets and Related Cash and/or Cash Equivalents. In reaching this position, we note in particular the representations in your letter regarding the regulation of State Trust Companies under applicable state law and the safeguards surrounding the custody of Custody Assets and Related Cash and/or Cash Equivalents. This response expresses our views on enforcement action only and does not purport to express any legal conclusion on the questions presented. Because our position is based on all of the facts and representations in your letter, you should note that any different facts or circumstances might require a different conclusion. Further, this response represents the views of the Division of Investment Management’s Chief Counsel’s Office only. It is not a rule, regulation, or statement of the Commission. The Commission has neither approved nor disapproved this interpretive position. Sincerely, Office of Chief Counsel Division of Investment Management U.S. Securities and Exchange Commission