



U.S. Securities and Exchange Commission

Division of Examinations

Information for Custodians and Other Recipients of Asset Verification Requests

Division of Examinations staff may conduct “asset verification” as part of the examination process. Asset verification seeks to confirm the existence and integrity of client assets reported to the SEC by its regulated entities. Typically, during this process, staff will contact the custodians holding a regulated entity’s client assets to corroborate the information provided by such regulated entity. Staff may also contact other knowledgeable persons, including auditors, and the clients or customers of regulated entities. Obtaining this information from independent sources helps to confirm, to a reasonable degree of certainty, that the assets a regulated entity reports to us exist in the same type and quantity reported. Analysis of the information received from custodians during asset verification may assist staff in identifying not only potentially fraudulent activity, but also possible human error in reporting by well-intentioned regulated entities.

Custodians and other third parties who work with, contract with, or are otherwise associated with SEC regulated entities or their business, transactions, or assets—including clients or customers—may receive asset verification requests from staff to independently gather and verify relevant information. These requests may be sent directly to a third party, or indirectly via the regulated entity. Recipients of these requests should not assume such requests indicate any violation of law by the regulated entity, nor should recipients construe such requests as an adverse reflection on the regulated entity, or any person, entity, or security associated with it. The staff’s written requests will detail the manner and timing for providing information. For questions regarding an asset verification request, please contact the staff member who sent the request, or utilize the *Examination Hotline* (202.551.EXAM or examhotline@sec.gov).