

TCH Releases White Paper on the Custody Services Provided by Banks

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On July 28, 2016, The Clearing House issued a white paper, [*The Custody Services of Banks*](#), which describes the role of bank-chartered custodians. The paper discusses the services provided by bank-chartered custodians, their relationships with financial market utilities (FMUs), and describes the different risks associated with custody services in comparison to those associated with other banking activities.

The white paper highlights the important role that bank-chartered custodians play in the system for safekeeping, clearing, and settling securities. The services provided by these custodians facilitate client access to and participation in global financial markets. The white paper also describes the range of administrative services related to clients' assets that such custodians provide. These services are critical to the efficient functioning of financial markets, and, in fact, the use of these custody services is often required by law or regulation in order to protect investors from potential misappropriation of their assets by funds and other vehicles in which they have invested.

Davis Polk & Wardwell LLP assisted The Clearing House in preparation of this white paper.

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