

## SEC Takes No-Action Position on Custody of Digital Asset Securities by Special Purpose Broker-Dealers

By [Zachary J. Zweihorn](#), [Joseph A. Hall](#), [Jai R. Massari](#), [Mark A. Sater](#) & [Alba Baze](#) on January 14, 2021

POSTED IN [BROKER-DEALER](#), [FINTECH](#), [SEC](#)

A recent SEC conditional no-action position (the “No-Action Statement”) has further opened the regulatory door to trading of digital asset securities (“DAS”), by allowing certain limited purpose DAS-only broker-dealers to maintain custody of these securities on behalf of customers. Efforts to meet the SEC staff’s prior guidance that broker-dealers generally could not custody DAS for customers triggered somewhat cumbersome workaround attempts. While not a complete solution, the No-Action Statement offers certain broker-dealers another alternative that may allow them to provide traditional brokerage services involving DAS in a more direct fashion.

Our [client memo](#) provides an overview of the No-Action Statement.