



NEWS RELEASE

Comptroller of the Currency
Administrator of National Banks

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OCC Issues Examiner Handbook on Custody Services

WASHINGTON – The Office of the Comptroller of the Currency (OCC) today issued a [handbook](#) for examiners on custody services.

The custody business is a bank asset management activity that involves the settlement, safekeeping and reporting of customer marketable securities and cash. The level of assets under custody has increased significantly, as has competition among financial institutions for this business. Banks provide custody services to mutual funds and investment managers, retirement plans, insurance companies, corporations, endowments and foundations, among others.

The handbook will assist examiners in determining whether a bank has adequate systems to identify, measure, monitor and control the risks undertaken in custody services. Effective internal controls are essential to managing the risks and safeguarding customer assets. This is particularly important given the need for banks to effectively employ technology to process large volumes of transactions under custody.

The handbook applies the OCC's supervision by risk framework to custody services by outlining the underlying credit, interest rate, liquidity, price, foreign currency translation, transaction, compliance, strategic and reputation risks.

The examiner procedures in the handbook will be applied as appropriate for the risks undertaken at a particular financial institution.

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The OCC charters, regulates and examines approximately 2,200 national banks and 52 federal branches of foreign banks in the U.S., accounting for more than 54 percent of the nation's banking assets. Its mission is to ensure a safe and sound and competitive national banking system that supports the citizens, communities and economy of the United States.