

## 2023 Kansas Statutes

**9-2313. Custodial services; requirements.** (a) A fiduciary financial institution may serve as a custodian, which may include serving as a qualified custodian, as defined by the United States securities and exchange commission in 17 C.F.R. § 275.206(4)-2, of an asset custody account. In performing custodial services under this section, a fiduciary financial institution shall:

- (1) Implement all accounting, account statement, internal control, notice and other standards specified by applicable state or federal law and rules and regulations for custodial services;
- (2) maintain information technology best practices relating to alternative assets held in custody;
- (3) fully comply with applicable federal anti-money laundering, customer identification and beneficial ownership requirements; and
- (4) take other actions necessary to comply with the requirements of this section.

(b) Alternative asset custody accounts over which a fiduciary financial institution serves as a custodian or qualified custodian are not depository liabilities or assets of the fiduciary financial institution.

(c) In performing custodial services under this section:

- (1) A fiduciary financial institution shall be a fiduciary and shall be subject to the duties and standards of utmost care and loyalty that are associated with serving as a fiduciary;
- (2) a fiduciary financial institution shall be deemed to be exercising fiduciary powers; and
- (3) all income earned by a fiduciary financial institution and derived from performing custodial services shall be deemed to be income derived from the exercise of fiduciary powers.

**History:** L. 2021, ch. 80, § 13; July 1.