Date: October 29, 2023

The Securities and Exchange Commission

Washington, D.C.

RE: Safeguarding Advisory Client Assets-Public Comment

To the Securities and Exchange Commission,

I am writing to express my concerns and share my insights on the proposed rule for Safeguarding Advisory Client Assets. While the aim of enhancing investor protections and addressing gaps in the custody rule is commendable, I have identified several areas within the proposal that require further attention and revisión.

One key concern revolves around the lack of clarity in the definition of digital assets. In an era of evolving financial technologies, it is crucial to have precise guidelines on what constitutes a digital asset. Unfortunately, the proposal provides limited guidance in this area, opening the doors to potencial confusión and misinterpretation. As a result, investment advisers may struggle to implement appropriate measures to safeguard these assets. I srongly encourage the Securities and Exchange Commission (SEC) to provide clear definitions and offer comprehensive guidelines to ensure consistent interpretación and implementation by market participants.

Another important issue that warrants discusión is the potential impact of these proposed regulations on privacy rights. The increased realiance on third-party custodians and the sharing of sensitive financial data and personal information raise concerns over privacy and safety. With financial transanctions increasingly moving into the digital real, it becomes crucial to address these privacy concerns and strike a balance between regulatory obligations and the protection of individual privacy. I urge the SEC to actively consider this balancing act and actively engage in measures to protect individual privacy while ensuring compliance with tax laws.

Furthermore, there are broader issues surrounding the proposed rule that require careful consideration. The requirement for investment advisers to notify clients in writing when opening an account with a custodian is a step in the right direction, as it enhances transparency and client awareness. However, it is important to ensure that this notice includes only relevant information, such as custodian information and account numbers, without undue exposure of sensitive client data.

Additionally, the proposed amendments related to surprise examination requirements, as wess as the extensive recordkeeping obligations, can impose a significant burde on investment advisers. While these measures are intended to safeguard client assets and reduce the risk to los, it is essential to carefylly assess the magnitude of compliance cost, particulary for smaller advisory firms. The consideration of the economic effects should also acknowledge the varying practices among investment advisers and provide a clear assessment of the potential benefits and cost associated with implementing these amendments.

Moreover, the proposal emphasizes the importance of transparency and oversight in the investment advisory industry. While these goals are admirable, it is crucial to strike a balance that ensures investor protection without impending competition or creating unnecessary regulatory burdens. The SEC should carefully examine the potential impact on advisory services, competition, and compliance cost for qualified custodians within the proposed rule.

In conclusion, I appreciate the efforts made by the SEC to enhance investor protections through the Safeguarding Advisory Client Assets proposal. However, it is crucial to address the concerns and gaps highlighted above to ensure the accurate interpretation and effective implementation of the rule. I urge the SEC to take into consideration the need for clarity on digital asset definitions, the preservation of privacy rights, the burden of compliance cost on investment advisers, and the balancing of investor protection with competition and market efficiency.

Thank your for considering my comments on this important matter. I would be happy for further discuss my concerns or provide additional insights if needed. I trust that the SEC will carefully evaluate the public comments received and make revisions that prioritize the interest of investors and the efficient functioning of the market.

Sincerely,

Roberto