Custody agreement review

Dr Alexander Ressos, TEP
Attorney-at-Law (Switzerland and Germany),
Solicitor (England & Wales and Hong Kong)
Of Counsel, KGP Legal LLC
alexander.ressos@kgplegal.com.sg
www.ressos.com.sg

Whether the client is placing assets with a custodian or acting as one, the custody agreement decides the insolvency outcome analysed in the sixth decision guide. The review checklist is the practical companion to that guide. It is written from the depositor's side. A custodian reviewing its own terms reads it in reverse.[1]

Checklist

- Nature of the obligation: does the custodian undertake to keep the specific assets, or an equivalent quantity, available at all times? Any right to use, lend, stake, pledge or rehypothecate defeats segregation.
- Wallet structure: individually allocated addresses or omnibus; if omnibus, how the client's share is recorded and how often reconciled.
- Statement of the legal characterisation: Swiss agreement should reference Art. 242a DEBA and the custodian's undertaking; Singapore agreement should declare the trust and define the beneficial interest as a proportionate share of each asset pool.
- Treatment of forks, airdrops and staking rewards: who receives them, who decides whether to support a fork, and in what time.

© 2026 Dr Alexander Ressos. General information only, not legal, tax or investment advice. No client relationship is created. All Singapore law advice is provided by a duly licensed and regulated firm of Singapore advocates and solicitors only on the basis of an express written letter of engagement. More information at SingaporeIQ.com and ressos.com.sg.

- Key management: who holds keys, multi-signature or MPC arrangements, geographic distribution, disaster recovery, and whether the client can verify holdings on-chain.
- Instructions: authorised signatories, authentication, cut-off times, the custodian's right to refuse, and the liability for executed fraudulent instructions.
- Fees and liens: whether the custodian has a lien or set-off right over client assets, which can convert a segregable asset into security for the custodian's claims.
- Liability: standard of care, exclusions, caps, insurance and the cover actually in place (specie or crime insurance, limits, exclusions for hot wallets).
- Sub-custody: whether permitted, who the sub-custodians are, and whether the client's rights survive the sub-custodian's insolvency.
- Reporting: statements, auditor's assurance reports on segregation, access to reconciliation records.
- Termination: notice periods, the delivery procedure on termination, and the time within which assets must be returned.
- Governing law and forum: a Swiss custodian under Swiss law, a Singapore custodian under Singapore law; avoid a third law that neither insolvency court will apply to the segregation question.
- Regulatory status warranties: licence or SRO membership, notification of change of status, and the consequence of loss of licence.
- Confidentiality and data: who may access client data, including blockchain analytics providers and group entities abroad.

Notes

1. DEBA Art. 242a and 242b; Payment Services Regulations 2019 as amended in 2024; the custody agreement under Swiss law is analysed in Part D, Chapter IV and under Singapore law in Part J, Chapter II. ↩

© 2026 Dr Alexander Ressos. General information only, not legal, tax or investment advice. No client relationship is created. All Singapore law advice is provided by a duly licensed and regulated firm of Singapore advocates and solicitors only on the basis of an express written letter of engagement. More information at SingaporeIQ.com and ressos.com.sg.

Disclaimer

This article is provided for general information only. It is based on publicly available sources as at its date of publication. These sources have not been independently verified against licences, regulatory registers or the records of the entities concerned. It is not legal, tax, financial or investment advice. Nor is it a recommendation to invest in, transact with or use the services of any entity mentioned. Law and regulation change frequently, so the content may be incomplete or outdated. To the fullest extent permitted by law, Dr Alexander Ressos and the publisher of SingaporeIQ exclude all liability for loss or damage arising from the use of or reliance on this article. Readers should obtain advice on their specific circumstances before acting or refraining from action.

Names and trademarks of the entities discussed belong to their owners and are used for identification only. Their mention implies no endorsement, affiliation or allegation of wrongdoing. All Singapore law advice is provided by a duly licensed and regulated firm of Singapore advocates and solicitors only on the basis of an express written letter of engagement. Corrections and updates: contact@ressos.com.

© 2026 Dr Alexander Ressos. This article may be quoted with attribution to SingaporeIQ (SingaporeIQ.com). Reproduction in full and any commercial use require prior written consent. The Legal Terms at https://singaporeiq.com/legal-terms apply.

Author contact: Dr Alexander Ressos, TEP · contact@ressos.com