

SEC Custody Rule 'No-Action' Letter and Additional Guidance

Frequently
asked questions

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On February 21, 2017, the Securities and Exchange Commission (SEC) released a 'no-action' letter providing additional guidance on how the Custody Rule applies to third-party money movement authority. This guidance outlines a set of conditions that, when followed, allows RIAs to avoid the annual surprise examination requirement of the rule (aka 'no-action relief'). The letter also clarified that a standing letter of authorization (SLOA) granting third-party money movement authority is deemed custody.

In addition, while the 'no-action' letter did not directly address the standing authority that allows an advisor to wire money between a client's own accounts at different financial institutions (first-party money movement), the SEC did provide additional guidance on this topic in its revised FAQ II.4, which can be found on its [website](#).

Collectively, this guidance provides perspective on the Custody Rule as it applies to first-party and third-party money movements. Key takeaways include:

- The guidance directly affects RIAs moving money on behalf of their clients.
- Previously commonplace transactions may now implicate the Custody Rule.
- The most important distinctions have to do with authority to initiate first-party wires.

Schwab created the following FAQs to help advisors understand the implications of the SEC custody guidance in regard to both first-party and third-party money movement authority, and identify whether or not firms may need to consider amending some practices and procedures related to money movement in order to comply with this guidance. Additional information can also be found in the Investment [Adviser Association FAQs](#) on this topic.

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Key definitions

Q1. What is custody?

A. An investment advisor has custody when holding a client's funds or securities, directly or indirectly, or if he or she has the authority to obtain possession of them. For example, an advisor has custody when he or she:

- Has possession of client funds and/or securities (for example in situations where the advisor acts as trustee on a client's account).
- Has power of attorney to sign checks on a client's behalf.
- Can withdraw funds or securities from the client's account and move them to a third party.
- Can otherwise dispose of a client's assets for any purpose other than authorized trading, including fee deduction.

Schwab cannot tell advisors when a specific action or arrangement qualifies as custody. We suggest you seek guidance from a compliance or legal advisor, and review the information available on the [SEC website](#) and in our [How does the new guidance related to the Custody Rule impact me?](#) guide.

Q2. How do I know whether or not I have custody?

A. The SEC has provided guidance clarifying when first- and third-party money movement authority may implicate the Custody Rule. Our [money movement at a glance diagram](#) provides a great overview of the impact of the guidance on each disbursement authority type. However, the SEC has not provided specific definitions for what constitutes a first- or third-party money movement. We cannot be certain that the SEC's determination would be identical to Schwab's, as our definitions may be different than theirs, yours, or other institutions'. Please consult with your legal and compliance professionals.

Note: Schwab does NOT typically provide reports about money movement authority to the SEC. It is your firm's responsibility to decide what authority is custody and disclose this authority to the SEC on your annual ADV filing.

Q3. How does the SEC define first-party money movements and third-party money movements?

A. At the time of writing, the SEC has not provided explicit definitions for first-party or third-party money movements. As a result, determining whether a specific authority is first- or third-party is a judgment call that each advisor must make for purposes of reporting custody to the SEC. In the questions below, we have outlined Schwab's definitions for first-party and third-party money movements. Note that these may vary from those used by other institutions or regulatory bodies.

Please note that Schwab does NOT typically provide reports about money movement authority to the SEC. It is your firm's responsibility to decide what authority is custody and to disclose this to the SEC on your next ADV filing.

Schwab's first-party money movement guidelines

Number of account holders, SSNs, and tax IDs must match on both sides of money movement	
From sending account	To receiving account
Individual/Designated Beneficiary Individual	Individual/Designated Beneficiary Individual
	IRA – Traditional/Roth/SEP
	Revocable Living Trust*
Joint Account – All types	Joint Accounts – All types
	Revocable Living Trust*
IRA – Traditional/Roth/SEP/SIMPLE	Individual/Designated Beneficiary Individual
	IRA – Traditional/Roth/SEP/SIMPLE
	Revocable Living Trust*
Revocable Living Trust*	Individual/Designated Beneficiary Individual
	Joint Accounts – All types
	IRA – Traditional/Roth/SEP
	Revocable Living Trust*

*Individual is also the grantor, trustee, and beneficiary.

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Q4. How does Schwab define first-party money movements and third-party money movements?

A. Each investment advisor firm will need to make its own determination about whether a money movement is first-party or third-party for the purpose of complying with the updated guidance. In spirit, if there is a change in ownership, Schwab will consider a given money movement to be third party. More specific definitions follow:

First-party

- Schwab historically adopted a conservative approach when defining what is considered to be first-party. This designation only applied when accounts were identically registered on either side of the money movement.
- Schwab has worked closely with industry leaders and other custodians to establish new guidelines for first-party money movements.
- Our new definition of “first-party” refers to money movements where cash is disbursed between two of the client’s accounts, where the client is the named account holder on both accounts and the number of account holders, SSNs, and tax IDs match on both sides of the money movement.
- Expanding Schwab’s first-party definition requires substantial technology changes. In order to help advisors benefit from these expanded first-party money movements as soon as possible, our systems are being updated using a phased approach.
- This new definition has already been applied to Schwab MoneyLink® and journals transactions, and we will be implementing support for checks and wires in the coming months.
- As each of these policy changes are implemented for the various money movements we will notify you via Schwab Advisor Center’s What’s New page and with Bulletins.
- Schwab’s definition of “first-party” may be different from yours or other institutions’, so please consult with your legal and compliance professionals.

Third-party

- “Third-party” refers to money movement where cash or assets are disbursed between two accounts with different-named registrations, and therefore ownership has changed. Schwab considers a money movement from an individual account to a joint account and vice versa to be a third-party money movement. Schwab’s definition of “third-party” may be different from yours or other institutions, so please consult with your legal and compliance professionals.

Note: Remember that the disclosure of custody on your ADV is your responsibility. We recommend that you consult with your legal and compliance professionals about your obligations under the custody rule.

Q5. How did Schwab determine its definition of first-party money movements?

A. Schwab worked together with other leading financial services institutions and the Investment Advisory Association (IAA) to create standard definitions for first-party money movements. These definitions are available in an FAQ posted on the [IAA's website](#).

Schwab's first-party money movement guidelines

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Q6. Does Schwab consider money movements from a joint account to an individual account to be first-party?

- A.** No, Schwab would consider this a **third-party** money movement transaction because the number of account holders does not match on both sides of the money movement. For a transaction to be considered first-party at Schwab, it must meet all of the conditions outlined in [Schwab's first party money movement guidelines](#). However, each firm must determine its own approach to disclosure of custody over accounts on its ADV. We recommend you consult with your legal and compliance professionals about your obligations under the custody rule.

Q7. If I move money from an IRA into the same account owner's individual account, would Schwab consider that to be a first- or third-party money movement?

- A.** Currently, our systems only process that transaction as first-party for MoneyLink and journals. Although we are updating our systems to recognize these transactions as first-party for checks and wires, until system changes are complete, we will consider this transaction third-party. Each firm must determine its own approach to disclosure of custody over accounts on its ADV. We recommend you consult with your legal and compliance professionals about your obligations under the custody rule.

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Impact of the latest Custody Rule guidance: First-party money movements

Q8. How does the guidance from the SEC impact first-party wires?

A. According to the updated guidance provided by the SEC's revised FAQ II.4, advisors with standing first-party wire authority may have custody. For an advisor to avoid custody, his or her client must provide the sending custodian a signed first-party wire authorization specifying the receiving account details at the outside financial institution at the time the authorization is granted. Additional information on how your firm may be able to avoid custody while still supporting money movements like these can be found in our [decision tree overview](#).

Q9. Is Schwab making any changes to my first-party disbursement authority or SLOAs?

A. No. Schwab will not make any changes to any firm's disbursement authority without explicit instructions from the advisor or client. It's up to each firm to determine whether or not to keep disbursements that may implicate custody, or to remove those authorities to avoid custody. Once firms make that decision, they can use the [tools](#) available on Schwab Advisor Center® to make any necessary changes.

Q10. I have standing first-party wire authority, which allows me to wire assets from my client's account at Schwab to his or her account at a different custodian or financial institution. Based on the guidance, could this be considered custody?

A. Yes. The SEC clarified that an advisor who has standing first-party money movement authority to send wires has custody if the destination account is not specified. You were granted this authority based on the language found in the "Trading and Disbursement Authorization" section of the Schwab account application, or through a Limited Power of Attorney for Investment Advisor form after the account was opened. To avoid custody, you will need to remove the wire authorization given to you by your client or have your client provide a signed, written authorization stating the name and account details on the sending and receiving accounts in advance of any money movement.

Q11. To help me avoid custody, do Schwab forms allow my client to include his or her account number?

A. Yes. Schwab's money movement forms allow advisors to capture the necessary information to avoid custody while still supporting their clients' need to make disbursements.

Q12. I use Schwab MoneyLink (ACH) to move money from my client's account at Schwab to his or her account at a different custodian or financial institution. Could this be considered custody?

A. No, as long as they are same-named accounts. Outgoing first-party money movement would not be considered custody at Schwab because the Schwab MoneyLink® Electronic Funds Transfer Form requests the name and account details on the client's sending and receiving accounts as part of the initial authorization. This meets the SEC's stated requirements for avoiding custody. MoneyLink may also be used for third-party EFT/ACH transactions at Schwab, which have different custody implications than first party. (Please see the section below titled [Impact of the guidance: Third-party](#))

Q13. If I want to make changes to my money movement authorities, when should I do this?

A. As soon as possible. The SEC's guidance was published February 21, 2017, and the SEC will likely expect advisors to be in compliance by now.

Q14. If I have custody under the SEC's updated FAQ II.4, what are my options?

A. Your firm should decide whether to retain or avoid custody for existing accounts. Once you decide, you have the following options:

If you wish to avoid custody:

1. Remove current first-party wire authority from all accounts.
2. If you wish, retain first-party check and journal authority.
3. Set up new standing instructions or one-time wire requests with destination account details and client signatures.
4. Remove third-party SLOAs using the [Move Money tool](#).

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If you wish to retain custody you have two options:

Retain custody with surprise exam:

1. Retain current first-party wire authority for some or all accounts.
2. Use existing authority to send first-party wires without the need for client signature and destination account details.
3. Include in your ADV custody disclosure all client assets that are subject to an SLOA. You'll also need to comply with the Custody Rule, including the surprise examination requirement.

Retain custody without surprise exam:

1. Retain third-party SLOAs and follow the [seven conditions](#) outlined in the February 2017 SEC 'no-action' letter to avoid the annual surprise examination requirement of the Custody Rule. Review [question 21](#), below, to see how Schwab covers six of these seven conditions.
2. Include in your ADV custody disclosure all client assets that are subject to an SLOA.

Q15. What should I do if I decide to retain custody for these accounts?

- A.** If you plan on keeping custody, there is no need to take action to retain your current first-party wire authority for some or all accounts. You can continue to use your existing authority to send first-party wires without the need for client signature and destination account detail. If you wish to have first-party wire authority with intended custody on new accounts, your client must complete an additional form: [Add Wire Authority with Custody to Existing Authorities](#).

Q16. If I retain my standing first-party authority "as is" and choose not to supply destination account details for first-party move money transactions, when should I begin disclosing this on my Form ADV?

- A.** If you have not disclosed the accounts for which you have custody on your ADV, you might want to consider amending your ADV. Consult your compliance and legal professionals if you have questions.

Q17. If I decide to keep standing first-party wire authority "as is" for some accounts, do I have to keep authority for all of my firm's accounts?

- A.** No. Your firm can choose which authorities to retain and which to change on an account-by-account basis.

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Impact of the updated guidance: Third-party

Q18. What is third-party money movement authority, and how is it impacted by the guidance?

A. Third-party money movement authority is an SLOA or other similar asset-transfer authorization that allows an advisor to disburse funds to a third party on behalf of his or her client. SLOAs can be established by having the client sign a Schwab form—either electronically or via paper—that includes the third party's name, address, and other information specific to the money movement type. See the [Service Guide](#) for more details on the required information for checks, journals, wires, and MoneyLink (ACH). The client instructs the qualified custodian that maintains the client's account to transfer funds to a designated third party upon the future request of the advisor in accordance with the limited authority the client grants to the advisor. Many advisors have this authority on some client accounts—for example, to help a client pay recurring expenses.

The SEC guidance clarified that SLOAs granting third-party money movement does constitute custody. The [guidance also outlined a set of conditions](#) that, when followed, allows advisors to avoid the need for the annual surprise examination requirement of the Custody Rule. See question 19 directly below for more details.

Q19. What are the conditions the SEC requires advisors to meet to avoid the Custody Rule's annual surprise exam requirement, if advisors have an SLOA and/or MoneyLink established for third-party money movement?

- A.** The [seven SEC 'no action' relief conditions](#) are as follows:
1. The client provides an instruction to the qualified custodian, in writing, that includes the client's signature, the third-party's name, and either the third-party's address or account number at a custodian to which the transfer should be directed.
 2. The client authorizes the investment advisor, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party, either on a specified schedule or from time to time.
 3. The client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method, to verify the client's authorization, and provides a transfer-of-funds notice to the client promptly after each transfer.
 4. The client has the ability to terminate or change the instruction to the client's qualified custodian.
 5. The investment advisor has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client's instruction.
 6. The investment advisor maintains records showing that the third party is not a related party of the investment advisor or located at the same address as the investment advisor.
 7. The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

Because six of the seven conditions necessitate an advisor's reliance on a qualified custodian, Schwab has updated its processes and procedures for all SLOAs to help advisors comply with these conditions and benefit from the 'no-action' relief.

Q20. How is Schwab helping me meet the seven conditions, above, so that I can avoid an annual surprise exam?

- A.**
- Currently, Schwab accepts SLOAs on paper and electronic forms that meet the conditions in #1 and #2.
 - Schwab performs appropriate verification and sends a transfer of funds notice to the client promptly after each transfer, as required in #3.
 - The client has the ability to terminate or change the instruction to Schwab, as required in #4.
 - Schwab does not permit advisors to change payee information (without a new signature from the account holder) as required in #5.
 - Schwab sends account holders initial and annual notices regarding SLOAs to comply with #7.

*Please see the "Take Action" section of the [Overview Guide](#) to understand your options if you have custody by virtue of having an SLOA.

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Q21. Can you provide documentation stating how Schwab has complied with each of the conditions?

- A.** Please see "[Documentation of Schwab's procedures supporting the seven conditions outlined in the February 2017 SEC 'no-action' letter](#)", available on the Custody Rule page in the Service Guide.

Q22. What type of records does the SEC expect advisors to maintain in order to meet the sixth condition (reproduced below) to avoid the surprise exam?

The investment advisor maintains records showing that the third party is not a related party of the investment advisor or located at the same address as the investment advisor, and that the advisor doesn't control the receiving account.

- A.** Although the 'no-action' letter does not specify the form of records that an adviser must maintain, we believe that an acknowledgment by the client—or a memo added to the file explaining that the advisor's basis for determining that the third party is not a related party or located at the same address—may satisfy this condition. We recommend consulting with your legal and compliance professionals for advice on documenting this condition.

Q23. Does Schwab have a form that allows my client to grant me authorization to act pursuant to an SLOA?

- A.** Yes. Standing investment advisor authorizations are contained in a variety of Schwab money movement forms, such as those related to wire instructions, MoneyLink, or IRA distributions.

Q24. How do I confirm I have third-party money movement authority, or an SLOA, for an account?

- A.** Log into Schwab Advisor Center, select your firm's master account, and click on the "Move Money" heading. Next, click on the "On-Request SLOAs/MoneyLink" heading. You'll see a report that contains all SLOAs associated with the firm's master account. You can also contact your service team to request a report.

Q25. I have custody under the SEC's 'no-action' letter because I have third-party SLOAs on certain accounts. What are my options?

- A.** First, your firm will need to decide whether or not to retain custody. Depending upon your decision, choose one of the following options:
1. If you plan to retain custody, you don't need to change your existing third-party SLOAs. However, to avoid the surprise exam, you will have to ensure you comply with the seven conditions mentioned in the [SEC's no-action letter](#).
 2. To avoid custody altogether, you'll need to delete any third-party SLOAs you have on file using the [Move Money tool](#) on Schwab Advisor Center.

Always consult your compliance and legal professionals for guidance on your firm's unique situation.

Q26. I currently have third-party SLOAs on file. What is the deadline by which I must take action to avoid custody altogether?

- A.** You should make these changes as soon as possible. The SEC's guidance was published February 21, 2017, and the SEC will likely expect advisors to be in compliance by now.

Q27. If I decide to keep my current third-party SLOAs, when will I need to begin disclosing assets associated with those SLOAs (including MoneyLink on my Form ADV)?

- A.** If you have not disclosed the accounts for which you have custody on your ADV, you might want to consider amending your ADV. Consult your compliance and legal professionals if you have questions.

The sample scenarios below are designed to help you understand the SEC's guidance, which clarified when various first- and third-party money movement authorities may implicate the Custody Rule. However, we cannot be certain that the SEC's determination of whether a specific disbursement is first-party or third-party would be identical to Schwab's. As our definitions may be different than yours or other institutions, please consult with your legal and compliance professionals.

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Checks and journals

Q28. Do I have to disclose custody if...

- **I have authority to transfer or journal my client's assets between the client's same-named accounts at the same custodian?**
- **I have authority to instruct Schwab to write a check to my client at my client's address on file with Schwab?**
- **My client mails me a check payable to my firm to pay fees?**

A. Assuming the custodian receiving funds is a separate entity not affiliated with the advisor; these scenarios probably would not constitute custody. Always consult your compliance and legal professionals for guidance on your firm's unique situation.

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Q29. Do I have to disclose custody if I have...

- **An SLOA to transfer assets out of my client's account to a third party specified by the client, and I have discretion as to amount and/or timing of transfers?**
- **An SLOA to journal funds to a third-party account at Schwab, such as a spouse or child's account?**
- **MoneyLink established to transfer assets from my client's account to a third party specified by the client?**
- **An SLOA in place that allows me to issue checks from a trust to a beneficiary of the trust?**

A. These scenarios would likely constitute custody. However, the [SEC also outlined seven specific conditions](#) that will help advisors avoid the Custody Rule's surprise annual exam requirement. Always consult your compliance and legal professionals for guidance on your firm's unique situation.

Q30. Is the ability to disburse funds via a capital call SLOA considered custody?

- A.** No, this is not custody:
- On February 21, 2017, the SEC issued a no-action letter addressing standing letters of authorization. That letter states that SLOAs are custody, but it also incorporated a footnote that states an arrangement that is structured so that the investment adviser does not have discretion as to the amount, payee, and timing of transfers under an SLOA would not implicate the Custody Rule.
 - A capital call SLOA is not custody because the advisor's discretion is limited to fulfilling the account holder's contractual obligations to the issuer by satisfying the capital call terms. The advisor has no authority to determine amount, payee, or timing of the transfer.
 - The advisor would have custody, however, if the issuer receiving the capital call is affiliated with the advisor.

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Q31. Do I have custody if I deduct fees from my client's account?

- A.** Yes, but nothing in the guidance has changed the current rules about fees, so it's unlikely that you would need to change your current approach to disclosing custody if you haven't changed the way that you collect fees. For further clarification, see below.
- Investors give the advisor the authority to debit management fees on the application or Power of Attorney (POA). This is separate from Trading and Disbursement authority.
 - The advisor calculates the fees and then uploads this information to Schwab.
 - If the investor has given the advisor this authority, the fee is debited from the client's account.
 - In November of 2003, although the SEC did not change the definition of "custody" to exclude advisors access to client funds through fee deductions, it addressed this issue by amending form ADV so advisors that have custody only because they deduct fees will not need to amend their registration statements. Therefore, if you have custody solely because you deduct fees directly from your client's account, you DO NOT need to claim custody on your ADV. The ADV form specifically states that you can check "No" for custody on Item 9.A.(a).
 - The advisor would not be subject to the annual surprise exam if this is the sole reason he or she has custody.

Q32. Do I have custody if I have the authority to make tax payments on behalf of clients from their Schwab account?

- A.** Yes. This is a third-party SLOA and falls within the guidance in the February 21, 2017, 'no-action' letter. You can avoid the surprise examination requirement of the Custody Rule if you meet the seven conditions of the 'no-action' letter, listed in the [SEC's no-action letter](#).

Q33. If I am a trustee to a client, do I have custody?

- A.** If a supervised person serves as a trustee on a client's account, the role of the supervised person as trustee is imputed to the advisory firm. Thus, the firm has custody. However, there is an exception if the supervised person has been appointed as trustee as a result of a family or personal relationship with the grantor or beneficiary and not as a result of employment with the advisor.

Q34. I am a state-registered advisor. Does the guidance apply to me?

- A.** The SEC's Custody Rule applies to investment advisors who are registered with the SEC. However, many state securities administrators have rules that are substantially the same as the SEC's Custody Rule, so many states may follow the SEC's lead on this interpretive clarification. Always consult your compliance and legal professionals for guidance on your firm's unique situation.

Q35. Are family-office firms affected by the Custody Rule?

- A.** It's up to the advisor to determine whether he or she qualifies for the family-office exemption. In 2011, the SEC adopted a [new rule](#) that enables those managing their own family's financial portfolios to determine whether their "family offices" can continue to be excluded from the Investment Advisers Act. As long as they meet the requirements, the Custody Rule wouldn't apply to them. Please see the SEC's [FAQs](#) for more information. Always consult your compliance and legal professionals for guidance on your firm's unique situation.

Q36. What is inadvertent custody within the meaning of the Investment Management (IM) Guidance Alert, and how does it relate to the 'no-action' letter and update to FAQ II.4?

- A.** Inadvertent custody occurs when a custodial agreement between an advisor's client and the custodian automatically assumes or gives the advisor authority to withdraw securities or funds on behalf of the client. The IM Guidance Alert suggests ways in which the advisor can address the inadvertent custody situation if he or she only wants or needs trading authority on an account. This is in contrast to Schwab's application, which gives the client the option to designate—by checking or initialing a box—whether the advisor has authority to receive or send securities or funds on the client's behalf. The Schwab application would not be an inadvertent custody situation. Instead, the advisor should consider the 'no-action' letter for addressing SLOAs with which the client has given the advisor third-party money movement authority. For questions related to first-party money movement authority, the advisor should consider Custody Rule FAQ II.4.

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Q37. Why does Schwab deactivate my SLOA if it is inactive for three years?

- A.** FINRA and other regulators have suggested that SLOAs present a risk of fraud and should expire after a specified period of time. In light of this, and in an effort to maintain current money movement records, SLOAs on accounts at Schwab may be deactivated if they have been unused for three or more years, if the account has been closed, or if the client or advisor has requested it. Advisors will be notified one month in advance if an SLOA is to be deactivated because it has not been used for three or more years. If an SLOA is deactivated and you wish to reestablish it, your client must submit a new SLOA with his or her signature.

Q38. Can I help my client with recurring money movements while avoiding custody?

- A.** Yes. It is possible for you to help your clients set up recurring money movements while avoiding custody. For example, if you help a client with monthly distribution from an IRA, you may set up that recurring money movement in a few ways, including:
- **Using the IRA distribution form.** Your client would indicate that he or she wants a recurring check or journal, or your client could establish a MoneyLink profile. Your client should NOT initial the line granting IA authorization. When Schwab receives the signed form, a recurring monthly transaction will be created.
 - **Using Schwab's Move Money tool.** You may create a letter of authorization for your client to sign by indicating, among other specifications, the type of disbursement (check or journal), distribution amount, and frequency. After you enter the details of the transaction, a letter of authorization will be generated for your client to sign. Once Schwab receives the signed form, a recurring monthly transaction will be established.

Note: If you want to avoid custody, you SHOULD NOT choose the "submit and create SLOA" option.

Q39. If the sending account is John D. Smith and the receiving account is John Smith (with no middle initial), would this still be considered first-party under Schwab's first-party money movement definition?

- A.** Yes. As long as the number of account holders and all underlying taxpayer identification numbers match on both sides of the money movement, slight variations in how the name is registered and displayed would have no impact and the money movement would be considered first-party.

Q40. If the sending and receiving accounts are joint accounts with the same number of accountholders and matching taxpayer identifications but on each side of the money movement, the primary accountholder is different; would this be considered a first-party transaction?

- A.** Yes. As long as the Schwab money movement conditions are met, the order in which the account holders appear has no impact. In this example, since the number of accountholders and all underlying taxpayer identification numbers match on both sides of the money movement, this would be considered a first-party transaction.

Q41. Does Schwab's changes to its first-party definition impact current procedures as they relate to client signatures and form requirements?

- A.** No. The only difference is now a wider variety of common money movements can be considered first-party at Schwab. If your firm has first-party disbursement authorization over client accounts, you can request more transactions on their behalf without obtaining additional authorizations. You should still follow standard operating procedures for first-party money movements.



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