

CUSTODY · CONTROL · INSTITUTIONAL TRUST

What Is Institutional Custody?

A practical reference for evaluating crypto custody models across banks, trust companies, crypto custodians, and institutional service providers.

Custody starts to matter differently once the digital asset market becomes more institutional. It is rarely just a storage question. In a serious market, custody becomes a question of control, liability, permissions, recovery design, governance, and how operational trust is actually built.

The focus is not only where assets sit. The focus is whether the custody model can hold up under operational, regulatory, and governance pressure.

Practical framing: Institutional custody is not defined by access alone. It is defined by control quality, accountability, recovery path, and whether the model fits real institutional workflows.

[Supporting Resources](#)[Internal Links](#)[Market Structure](#)

A) Supporting resources

Related CryptoWisely pages for institutional custody, execution, and bank digital asset services.

Custody becomes more useful when it is connected to execution, client access, governance, and institutional operating design. These related pages provide additional context for how custody sits inside the broader digital asset market structure.

Institutional crypto execution and market access

How institutional crypto activity depends on execution models, market access, and operating discipline.

<https://cryptowisely.io/institutional-crypto-execution/>

How banks may approach custody and trading services

A short view on how banks may separate custody, access, trading, and client-facing digital asset services.

<https://cryptowisely.io/insight-custody-vs-trading-what-will-banks-actually-offer/>

Custody, reserves, and settlement in the OCC case

A research note on how custody, reserves, and settlement appear in the OCC case.

<https://cryptowisely.io/research/occ-case-custody-reserves-and-settlement/>

Layer: Key Control

Actor: Custodian

Lens: Asset Control

1) Key control: who can actually move the asset?

This block answers: who controls access, movement, and approval?

The first custody question is not simply where the asset is stored. It is who controls the keys, who can initiate movement, who approves transfers, and how those actions are monitored. Without clear key control, custody can look safe on paper while remaining weak as an operating model.

- Define who holds or controls the private keys
- Separate initiation, approval, and execution rights
- Make permissioning part of the custody design, not an afterthought

Custody Models: Bank, Trust Company or Crypto Custodian

A deeper research note on custody model choices and institutional trust design.

<https://cryptowisely.io/research/custody-models-bank-trust-crypto-custodian/>

Compliance Controls On Chain

How compliance controls can be embedded into on-chain financial workflows.

<https://cryptowisely.io/research/compliance-controls-on-chain/>

Layer: Liability

Actor: Bank + Provider

Lens: Responsibility

2) Liability: who carries the risk if something fails?

This block answers: where does responsibility sit?

Custody becomes institutional only when responsibility is clear. If asset movement, loss, technology failure, operational error, or provider failure occurs, the model needs a defined liability structure. Institutions cannot rely on custody arrangements where responsibility is unclear.

- Clarify liability across the bank, custodian, technology provider, and client
- Define how operational failures and exceptions are handled
- Connect contractual responsibility with actual workflow control

Licensing and Regulation Hub

A hub page for regulatory and licensing context around digital asset services.

<https://cryptowisely.io/licensing-regulation-hub/>

SEC, Enforcement Perimeter and Stablecoins

A research note on classification, enforcement perimeter, and stablecoin operating questions.

<https://cryptowisely.io/research/sec-securities-classification-enforcement-perimeter-and-stablecoins/>

Layer: Recovery

Actor: Operations + Risk

Lens: Failure Path

3) Recovery design: what happens when something goes wrong?

This block answers: what is the recovery path?

Institutional custody requires a recovery path before failure happens. The model should define what happens in the case of lost access, compromised credentials, frozen accounts, operational error, provider disruption, or legal instruction. Recovery is not a technical side note. It is part of institutional trust.

- Define recovery procedures for access loss and transaction exceptions
- Prepare escalation paths for legal, operational, and cybersecurity events
- Make recovery design visible to governance and risk teams

NYDFS Case: Reserve Quality, Redemption and Issuer Controls

A research note on how reserve quality, redemption logic, and issuer controls shape trust.

<https://cryptowisely.io/research/nydfs-case-reserve-quality-redemption-and-issuer-controls/>

OCC Case: Custody, Reserves and Settlement

A research note on custody, reserves, and settlement in an institutional regulatory context.

<https://cryptowisely.io/research/occ-case-custody-reserves-and-settlement/>

Layer: Governance

Actor: Institution

Lens: Approval Structure

4) Governance: how are approvals and controls structured?

This block answers: can the custody model be governed?

Custody is not only a provider selection decision. It needs to fit the institution's governance model. That means approval flows, control evidence, internal reporting, escalation rights, and accountability must be clear enough for risk, compliance, treasury, product, and leadership teams to work with.

- Map approval flows across internal teams
- Define what evidence governance teams need to review
- Connect custody control quality with reporting and oversight

EU Regulation Overview: MiCA Map for Stablecoins

A practical map for how MiCA shapes stablecoin operating models in Europe.

<https://cryptowisely.io/research/eu-regulation-overview-mica-map-for-stablecoins/>

US vs EU Stablecoin Operating Models

A comparison of issuer rails and operating models across US and EU stablecoin frameworks.

<https://cryptowisely.io/research/us-vs-eu-stablecoin-operating-models-issuer-rails/>

Layer: Workflow Fit

Actor: Client + Institution

Lens: Production Readiness

5) Workflow fit: does the custody model work in real operations?

This block answers: can the model hold up beyond access?

The real benchmark is not access alone. It is whether the custody model can fit real institutional workflows. A custody setup may work for a small test, but production readiness requires repeatable transaction flow, reporting, client communication, monitoring, exception handling, and internal ownership.

- Check whether custody fits onboarding, execution, reporting, and support
- Test whether the model can be repeated across clients and use cases
- Separate technical access from institution-ready operating design

Institutional Crypto Execution

A hub page on institutional market access, execution models, and operating discipline.

<https://cryptowisely.io/institutional-crypto-execution/>

OTC vs Exchange Execution for Institutional Crypto Trades

How institutional crypto trades differ across OTC and exchange execution models.

<https://cryptowisely.io/otc-vs-exchange-institutional-crypto-execution/>

RWA and Tokenization Hub

A hub page for tokenization, legal structure, settlement, and institutional market infrastructure.

<https://cryptowisely.io/rwa-tokenization-hub/>

Note: This page is informational and reflects an evolving market landscape. It does not constitute investment, legal, regulatory, or compliance advice.