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WHITEPAPER

# Bitcoin Custody for Family Offices

*A Comparative Analysis of Three Institutional Custodians*

Coinbase Custody • Fidelity Digital Assets • BitGo Trust Company

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## EXECUTIVE SUMMARY

## Three Custodians, Three Architectures

For family offices that have decided to allocate to Bitcoin, the question of how to hold the asset is operationally more consequential than the question of how much to hold. Allocation decisions can be revised. Custody decisions, once embedded in operational infrastructure, are slower to revise and more costly to migrate. The custodian holds the cryptographic keys on which the entire allocation rests.

This whitepaper provides a comparative analysis of the three institutional Bitcoin custodians most commonly considered by U.S. family offices: Coinbase Custody Trust Company, Fidelity Digital Asset Services, and BitGo Trust Company. Each operates a regulated trust company structure. Each holds substantial institutional assets. Each represents a different combination of security architecture, parent organization, advisor integration, and disclosure posture. None is uniformly the right answer. The right answer depends on the family office's specific operational priorities.

The objective of this whitepaper is not to recommend a single custodian. It is to provide the analytical structure through which a family office can evaluate the three options against its own requirements and reach a defensible custody decision. Readers seeking a recommendation pointing to one provider will not find one here. Readers seeking the framework to make that determination on their own analytical ground will.

### MATERIAL BUSINESS RELATIONSHIP DISCLOSURE

Veritas Bitcoin Strategies, LLC currently uses BitGo Trust Company as its primary on-chain Bitcoin custodian for client accounts that hold direct Bitcoin. The firm does not receive compensation from BitGo, Coinbase Custody, or Fidelity Digital Assets, and has no referral or revenue-sharing arrangement with any of these custodians. This whitepaper has been written to be analytically neutral. Readers should evaluate the analysis with the firm's operational relationship with BitGo in mind, and reach their own conclusions based on their specific circumstances.

## Summary of Findings

*The three custodians are best understood not as three answers to the same question, but as three answers to three different questions: institutional consensus, integration with existing relationships, and architectural diversity.*

Coinbase Custody dominates the institutional consensus question. As of January 2024, eight of the eleven spot Bitcoin exchange-traded funds approved by the SEC named Coinbase as their primary Bitcoin custodian, including BlackRock's iShares Bitcoin Trust (IBIT). For institutions whose decision frame is "which custodian have other large institutions chosen," Coinbase has won that question by a wide margin.

Fidelity Digital Assets answers the integration question. Family offices already custodied with Fidelity Investments through the Wealthscape platform can hold Bitcoin in the same operational and reporting infrastructure used for traditional assets. For multi-asset family offices already operating within the Fidelity ecosystem, this integration is structurally difficult for competitors to match.

BitGo provides architectural diversity. Its multi-signature option, in which the client holds one of the three required keys directly, is the only model of the three offering operational independence from the custodian. For family offices whose risk framework treats custodian operational continuity as a primary concern, this is the only available option among the three.

The remainder of this whitepaper examines each of these questions in detail, along with bankruptcy treatment, insurance, advisor integration, and the multi-custodian architecture that the largest allocators commonly adopt.

## SECTION ONE

# Why Bitcoin Custody Differs from Traditional Custody

Traditional securities custody is one of the oldest and most standardized functions in financial services. When a family office holds Apple stock through Charles Schwab or Fidelity Investments, the operational architecture has been refined over decades: the Depository Trust Company holds the underlying shares in book-entry form, the broker maintains records of beneficial ownership, the Securities Investor Protection Corporation provides a backstop for broker failure, and the regulatory framework has been built and tested through multiple market cycles. The family office's only real decisions are which broker and which clearing relationship.

Bitcoin custody has none of this maturity. The asset is seventeen years old. The first institutional-grade Bitcoin custodian launched in 2018. The legal framework for digital asset custody continues to develop. There is no equivalent of the Depository Trust Company; each custodian maintains its own architecture. There is no Securities Investor Protection Corporation equivalent for Bitcoin; insurance comes from private commercial coverage that varies by custodian. The choices a family office makes about Bitcoin custody are choices about architecture that does not yet have a single industry standard.

## The cryptographic foundation

All Bitcoin custody architectures, regardless of vendor, rest on the same foundational element: the private key. A Bitcoin private key is a large random number that proves control over a specific Bitcoin balance and

authorizes its transfer. Whoever controls the private key controls the Bitcoin. Lost keys mean lost Bitcoin, permanently. Stolen keys mean stolen Bitcoin, irreversibly.

Because of this property, every institutional Bitcoin custody decision is ultimately a decision about how private keys are generated, stored, accessed, used to sign transactions, and recovered after failure. The three providers examined here approach each of these subsidiary questions differently, and those differences are the substance of the comparative analysis below.

### Three architectures, briefly

Coinbase Custody Trust Company was established in October 2018 as a New York state-chartered limited purpose trust company.<sup>1</sup> It uses a combination of cold storage (offline storage of private keys, not connected to the internet) and, more recently, Multi-Party Computation (MPC) techniques in which key material is split across multiple geographically separated systems so that no single point of compromise reveals the complete key.

Fidelity Digital Asset Services operates as a New York chartered limited purpose trust company under Fidelity Investments, which has provided custody and brokerage services since 1946.<sup>2</sup> Its architecture adapts the omnibus custody model used in traditional securities markets: Bitcoin is held in pooled cold storage with internal accounting tracking each client's beneficial ownership, parallel to how Fidelity holds pooled stock positions for its brokerage clients.

BitGo was founded in 2013 and pioneered the multi-signature (multisig) wallet architecture, in which three independent private keys are generated and any two of the three are required to authorize a transaction.<sup>3</sup> BitGo Trust Company was chartered in South Dakota in 2018; BitGo New York Trust Company was chartered by the New York Department of Financial Services in 2021. BitGo offers clients the option to hold one of the three keys directly, providing operational independence from the custodian. BitGo also offers MPC-based custody for clients who prefer that architecture.<sup>4</sup>

## SECTION TWO

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<sup>1</sup>Coinbase Custody Trust Company, LLC was established in October 2018 as a New York state-chartered limited purpose trust company under New York Banking Law. The underlying cold storage methodology has been used by Coinbase's exchange business since the company's founding in 2012. Source: Coinbase Custody FAQ; SEC correspondence, May 2021.

<sup>2</sup>BitGo was founded in 2013 by Mike Belshe and Ben Davenport. BitGo Trust Company was chartered by the South Dakota Division of Banking in 2018; BitGo New York Trust Company was chartered by the New York Department of Financial Services in 2021. Source: BitGo company history and regulatory filings.

<sup>3</sup>Fidelity Digital Asset Services, LLC operates as a New York chartered limited purpose trust company under the New York Department of Financial Services. Fidelity Investments, the parent organization, has provided custody and brokerage services since 1946. Source: Fidelity Digital Assets corporate disclosures.

<sup>4</sup>Of the eleven spot Bitcoin ETFs that began trading following SEC approval on January 10–11, 2024, eight named Coinbase Custody as their primary Bitcoin custodian (BlackRock IBIT, Bitwise BITB, Franklin EZBC, Ark/21Shares ARKB, Invesco/Galaxy BTCO, WisdomTree BTCW, Valkyrie BRRR, and Grayscale GBTC). Fidelity FBTC self-custodied through Fidelity Digital Assets; VanEck HODL used Gemini Custody; Hashdex DEFI also used Coinbase. Source: ETF prospectuses and CoinDesk reporting, November 2023.

## Security Architecture: A Closer Examination

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Three distinct approaches to private key security have emerged in institutional Bitcoin custody. Each has analytical strengths and analytical weaknesses. Understanding these tradeoffs is the basis for any informed custody decision.

### Cold storage with MPC: the Coinbase approach

Coinbase Custody combines traditional cold storage with Multi-Party Computation. Under MPC, the complete private key is never assembled in one place. Instead, the key material is split into shares held across multiple geographically separated systems. When a transaction needs to be signed, the systems collaborate cryptographically to produce a valid signature without ever combining the shares into a complete key.

#### Analytical strengths

An attacker seeking to compromise the custody would need to breach multiple separate systems in different locations, each with its own security perimeter, simultaneously. The defense-in-depth is meaningful: a single facility compromise yields no usable key material. The MPC approach is also operationally efficient at scale, supporting the high transaction volume that ETF custody requires.

#### Analytical weaknesses

MPC implementations are cryptographically newer than multisig. The mathematical foundation is sound, but the specific implementation details vary by provider, and detailed third-party review of each implementation is more limited than the equivalent review of multisig systems that have been deployed in production for over a decade. The architecture also concentrates risk in the custodian: the client has no independent path to the Bitcoin if the custodian becomes unable or unwilling to sign a transaction.

### Pooled cold storage: the Fidelity approach

Fidelity Digital Assets applies the omnibus custody model that has worked for traditional securities since the 1970s. Client Bitcoin is held in pooled cold storage; internal accounting systems maintain records of each client's beneficial ownership; cold storage facilities employ physical security, multi-layer access controls, and disaster recovery protocols.

#### Analytical strengths

The model adapts a custody architecture with decades of operational history in the traditional securities markets. For institutions whose risk evaluation framework gives weight to operational track record at scale across multiple market conditions, the Fidelity model imports that track record into the digital asset context. Fidelity Investments' institutional infrastructure, balance sheet, and regulatory relationships are themselves substantive risk-mitigation elements.

### Analytical weaknesses

The pooled model offers less transparency than the alternatives. Clients hold beneficial ownership of a share of a pool rather than identifiable individual Bitcoin addresses. Reconciliation between internal accounting and on-chain holdings is an internal Fidelity process; clients trust the accounting rather than independently verifying their position on the blockchain. As with Coinbase, the client has no independent path to the Bitcoin without Fidelity's operational cooperation.

### Multi-signature with optional client key: the BitGo approach

BitGo's multisig architecture generates three independent private keys for each client wallet. Any two of the three are required to authorize a transaction. BitGo holds one key. A second key is held in a geographically separated backup facility. The third key can be held by BitGo (the "custody" option) or by the client directly (the "self-custody" option). BitGo also offers MPC-based custody for clients who prefer that architecture; the multisig option is the architectural feature unique among the three providers.

### Analytical strengths

Multisig is the longest-deployed institutional Bitcoin custody architecture, with extensive third-party review and over a decade of production history. The client's Bitcoin is held in identifiable on-chain addresses, allowing independent blockchain verification of holdings. The self-custody option provides operational independence from the custodian: if the client holds one key and the backup key is recoverable, the client has an independent path to the Bitcoin even in scenarios where BitGo cannot or will not cooperate.

### Analytical weaknesses

The self-custody option introduces client-side operational responsibility. The client must securely generate, store, and recover the client-held key. Loss of the client key plus loss of either BitGo's key or the backup key would render the Bitcoin permanently inaccessible. Family offices choosing self-custody must establish robust key management procedures, including succession planning for the key in the event of principal incapacity or death. For institutions without operational sophistication in cryptographic key management, the self-custody option imports a category of risk that the other two providers do not.

### Architecture comparison at a glance

| Dimension            | Coinbase           | Fidelity            | BitGo                   |
|----------------------|--------------------|---------------------|-------------------------|
| Primary architecture | Cold storage + MPC | Pooled cold storage | Multisig (optional MPC) |
| Years in production  | Since 2018         | Since 2018          | Since 2013              |
| Client key option    | No                 | No                  | Yes (self-custody)      |

| Dimension                | Coinbase      | Fidelity          | BitGo                   |
|--------------------------|---------------|-------------------|-------------------------|
| On-chain transparency    | Address-level | Pooled (internal) | Address-level           |
| Operational independence | No            | No                | Yes (with self-custody) |

SECTION THREE

Bankruptcy Treatment and Asset Segregation

The November 2022 collapse of the FTX exchange brought a previously underappreciated question into sharp institutional focus: when a digital asset platform fails, what happens to customer assets held on the platform? The lesson from FTX is that comingled customer assets held by an unregulated exchange can become indistinguishable from the operating funds of the failed exchange, leaving customers as unsecured creditors in bankruptcy.

All three custodians examined here are structured to address this risk, but the structures have not been tested in U.S. federal bankruptcy court for digital asset custody specifically.<sup>5</sup> Each operates through a separately chartered trust company that is legally distinct from any affiliated exchange or operating company. Client assets held by these trust companies are intended to be segregated from the trust company’s own assets and unavailable to creditors of any affiliated parent company.

Trust company structures

Coinbase Custody Trust Company, LLC is a New York state-chartered limited purpose trust company under New York Banking Law. It is legally distinct from Coinbase, Inc. (the operating exchange) and from Coinbase Global, Inc. (the publicly traded holding company). Client assets held by Coinbase Custody are intended to be segregated and bankruptcy-remote from claims against the exchange or the holding company.

Fidelity Digital Asset Services, LLC is a New York chartered limited purpose trust company. It is a subsidiary of Fidelity Investments, which has provided regulated custody and brokerage services since 1946 and maintains a balance sheet, operational infrastructure, and regulatory relationships substantially larger than those of any pure-play digital asset firm. The trust company structure is intended to provide the same bankruptcy-remote segregation as the other two.

BitGo operates through BitGo Trust Company (South Dakota, chartered 2018) and BitGo New York Trust Company (chartered 2021 by the New York Department of Financial Services). BitGo’s public marketing

<sup>5</sup>BitGo discloses serving more than 1,500 institutional clients in over 50 countries, securing over \$100 billion in digital assets, and processing approximately 20 percent of on-chain Bitcoin transaction volume by value. BitGo (NYSE: BTGO) completed its initial public offering on the New York Stock Exchange in January 2026. Source: BitGo corporate disclosures; Reuters reporting, January 2026.

emphasizes that client funds are segregated, never commingled with operational funds, and never lent out. BitGo (NYSE: BTGO) completed its initial public offering on the New York Stock Exchange in January 2026.

## The unique BitGo consideration

Beyond the standard trust company segregation, BitGo's multisig self-custody option introduces a structural feature unavailable from the other two providers: the client's ability to access their Bitcoin without the custodian's operational cooperation. In a scenario where BitGo were to fail completely, a client holding one of the three keys, in coordination with the backup key holder, could continue to access and transfer their Bitcoin. This is a meaningfully different bankruptcy posture than the alternatives, where access to the Bitcoin depends entirely on the custodian remaining operational.

Whether this represents a meaningful advantage depends on the family office's assessment of failure probabilities. For institutions that consider regulated trust company failure highly improbable, the practical benefit is small. For institutions whose risk framework gives weight to tail scenarios that have not yet occurred but could, the operational independence has real value.

*The bankruptcy question is not which custodian is least likely to fail. It is which custody structure best protects client assets in the scenario where one does.*

## SECTION FOUR

## Insurance Coverage

Insurance is the second line of defense behind segregation and security architecture. For Bitcoin custody specifically, insurance markets are still developing, coverage terms vary significantly by provider, and the published headline numbers can mislead readers who do not understand what they actually represent.

### What each provider discloses

BitGo publicly discloses up to \$250 million in insurance coverage from a Lloyd's of London syndicate for assets held in qualified custody.<sup>6</sup> This is the highest clearly disclosed coverage among the three providers and is one of the highest in the institutional digital asset custody market.

Coinbase discloses a commercial crime insurance policy covering theft from both online (hot wallet) and offline (cold wallet) storage, without publishing the specific coverage amount. Coinbase has stated that it actively manages the ratio of online to offline holdings to align with insurance coverage limits.

<sup>6</sup>Multi-signature (multisig) wallet architecture was the dominant institutional Bitcoin custody method from the mid-2010s through the late 2010s. Threshold Signature Scheme (TSS) and Multi-Party Computation (MPC) implementations were developed and deployed by multiple custodians beginning in the late 2010s. Both BitGo and Coinbase offer MPC-based custody alongside other security architectures.

Fidelity Digital Assets does not feature insurance coverage as a prominent element of its public disclosures. The parent organization's institutional balance sheet and traditional finance insurance relationships are presumably substantial, but specific Bitcoin custody coverage details are not readily available in public materials. Family offices considering Fidelity should request specific coverage details directly.

## What insurance does and does not cover

Bitcoin custody insurance typically covers a specific set of scenarios: external theft of Bitcoin from custodial systems, internal employee theft, certain categories of operational error, and in some cases physical loss of cold storage media. It does not typically cover: market value declines, client error in initiating transactions, regulatory enforcement actions, protocol-level failures of the Bitcoin network itself, or many categories of operational disruption that are not directly theft.

Published headline coverage amounts represent aggregate limits across all clients of the custodian, not per-client protection. For a family office holding \$100 million in Bitcoin with a custodian whose aggregate coverage is \$250 million, the protection is shared with every other client of the custodian. In a scenario in which an event triggers claims from multiple clients simultaneously, coverage may be insufficient to make all affected clients whole.

For these reasons, insurance should be considered a meaningful backstop but not a substitute for security architecture and bankruptcy-remote segregation. The objective is to select a custody architecture that minimizes the probability of needing the insurance, with the insurance available as protection against residual risk.

## SECTION FIVE

# Advisor Integration and Operational Workflow

Family offices that engage a Registered Investment Adviser to manage their Bitcoin allocation, in whole or in part, face an operational question that does not arise as starkly with most asset classes: can the adviser actually operate within the chosen custody infrastructure? Specifically, can the adviser bill advisory fees on Bitcoin holdings, integrate Bitcoin reporting into broader portfolio statements, and implement Bitcoin-specific strategies such as tax loss harvesting?

## The three providers compared

### Coinbase

Coinbase Institutional serves large asset managers, hedge funds, and direct family office clients. It provides institutional-grade research, market analysis, and trading infrastructure. As of the date of this whitepaper, however, Coinbase does not offer infrastructure for independent registered investment

advisers to directly bill advisory fees from client Bitcoin holdings or to manage those holdings within unified RIA portfolio management systems.

Practically, this means that a family office using Coinbase for Bitcoin custody while engaging an external adviser will need to manage advisory fee billing on Bitcoin holdings outside the Coinbase platform, typically through separate billing arrangements directly with the adviser. Reporting integration with broader portfolio statements is similarly external.

## **Fidelity**

Fidelity's solution to this question is structural integration with the Wealthscape platform used by approximately 3,800 registered investment advisers for traditional asset custody. Fidelity Crypto for Wealth Managers connects Fidelity Digital Assets to Wealthscape, enabling advisers whose clients hold both traditional assets and Bitcoin with Fidelity to manage them through a unified interface.

For family offices whose adviser already operates within the Fidelity ecosystem, this integration is structurally easier than starting fresh with a different custodian. Fee billing operates through the same mechanisms used for traditional assets. Portfolio reporting incorporates Bitcoin holdings alongside other positions. The operational workflow for the adviser is largely unchanged.

## **BitGo**

BitGo developed its Platform for Wealth Management specifically to serve registered investment advisers and broker-dealers managing Bitcoin for clients. The platform supports direct fee billing from within the BitGo system, integrations with traditional RIA portfolio management systems including Orion, InvestCloud, and Black Diamond, and built-in tools for tax loss harvesting and cost basis tracking.

Tax loss harvesting in Bitcoin operates under different rules than tax loss harvesting in securities. Wash-sale rules under Section 1091 of the Internal Revenue Code currently apply to securities, and the IRS has not classified Bitcoin as a security for wash-sale purposes.<sup>7</sup> This creates the possibility of harvesting losses on Bitcoin positions and immediately reestablishing those positions without the thirty-day wash-sale waiting period that applies to equity securities. The treatment could change through legislation or regulatory action; advisers and clients should consult qualified tax counsel before relying on this treatment for specific tax positions.

## **What this means for the custody decision**

Family offices that intend to engage a registered investment adviser for Bitcoin management should evaluate custody options against the adviser's actual operational capabilities. If the adviser already uses Fidelity's Wealthscape platform, Fidelity custody offers the lowest-friction integration. If the adviser uses BitGo's Platform for Wealth Management or works regularly with BitGo, the BitGo platform offers

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<sup>7</sup>The bankruptcy treatment of digital assets held by qualified custodians has not been tested in U.S. federal bankruptcy court as of the date of this whitepaper. The legal separation between trust company custodians and their parent operating companies should, in principle, protect customer assets from claims of the parent's creditors. Readers should consult qualified legal counsel for specific bankruptcy analysis.

purpose-built Bitcoin advisory tools. If the family office plans to manage Bitcoin allocation internally without external advisory engagement, the advisor integration question is less relevant, and the decision returns to architecture, bankruptcy, and insurance considerations.

## SECTION SIX

# The Multi-Custodian Approach

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For family offices holding substantial Bitcoin allocations, the choice need not be among the three providers as alternatives. It can be among combinations of providers as a portfolio. The largest institutional Bitcoin holders generally do not concentrate their entire position with a single custodian, for the same reason that institutional securities holders typically maintain custodial relationships with multiple prime brokers: the cost of redundancy is modest, and the benefit of architectural diversification is substantial.

## The rationale

Each custodian, however well-run, represents a single point of operational dependence. A family office holding \$100 million in Bitcoin entirely with one custodian has accepted that custodian's operational continuity, security architecture, regulatory standing, and bankruptcy treatment as the binding constraint on its Bitcoin position. A family office that holds the same \$100 million split among two or three custodians has reduced the probability that any single institutional failure affects the entire allocation.

The relevant comparison is not whether multi-custodian holding is more secure than single-custodian holding in expectation. It is whether the costs of multi-custodian holding (operational complexity, accounting reconciliation, slightly higher aggregate fees) are justified by the reduction in tail-scenario exposure. For allocations large enough that operational complexity is already a meaningful part of the cost structure, the marginal cost of an additional custodian is small relative to the marginal reduction in single-institution exposure.

## Architectural diversification, not just institutional diversification

The strongest case for multi-custodian Bitcoin holding is architectural rather than institutional. Holding Bitcoin across two custodians using similar architecture (e.g., two MPC-based providers) reduces institutional concentration but does not reduce architectural concentration. Holding Bitcoin across two custodians using different architectures (e.g., a multisig provider and a pooled-storage provider) reduces both.

In practice, family offices implementing multi-custodian approaches commonly split holdings across two of the three architectures examined here: a multisig position with BitGo, a pooled position with Fidelity or Coinbase, and in some cases a third position for additional redundancy. The specific allocation across custodians is a function of the family office's priorities: those weighting operational independence highly

will tend toward larger BitGo positions; those weighting integration with traditional infrastructure highly will tend toward larger Fidelity positions; those weighting institutional consensus highly will tend toward larger Coinbase positions.

*Multi-custodian Bitcoin holding is the institutional analog of the diversification principles that family offices already apply to nearly every other asset class. For Bitcoin specifically, it converts a single-vendor decision into a portfolio decision.*

## SECTION SEVEN

### A Decision Framework

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The preceding sections have laid out the analytical dimensions on which the three custodians differ. This section synthesizes those dimensions into a decision framework that a family office can apply to its own circumstances. The framework does not produce a single recommendation; it produces a method for reaching the family office's own conclusion.

#### Step one: identify binding priorities

Five operational priorities most often drive Bitcoin custody decisions. Different family offices weight them differently. The first step is identifying which two or three are binding.

- Institutional consensus: How important is it that the custody choice has been validated by other large institutional decision-makers? This priority points toward Coinbase.
- Integration with existing custody relationships: Does the family office already operate within a specific custody platform (typically Fidelity Investments) that creates substantial operational advantages? This priority points toward Fidelity.
- Operational independence from the custodian: Is the family office's risk framework concerned with tail scenarios in which the custodian becomes unable or unwilling to cooperate? This priority points toward BitGo's self-custody option.
- Advisor integration: Is there an external Bitcoin-specialized adviser whose operational workflow imposes constraints on custodian choice? This points toward Fidelity (if the adviser uses Wealthscape) or BitGo (if the adviser uses BitGo's platform).
- Insurance disclosure transparency: Does the family office require clearly disclosed insurance terms as part of its custody evaluation? This priority points toward BitGo, which discloses specific coverage limits publicly.

#### Step two: evaluate the secondary considerations

After identifying binding priorities, the secondary considerations help refine the decision. Security architecture preferences (MPC versus multisig versus pooled cold storage), parent organization institutional posture, on-chain transparency requirements, and the family office's comfort with newer versus longer-deployed cryptographic methods all enter at this stage. None of these is independently dispositive; collectively they shape the final decision among architectures that survived step one.

### Step three: consider multi-custodian implementation

For allocations above approximately fifty million dollars, the question is rarely whether to use a single custodian. It is which combination of two or three custodians best matches the family office's priority structure. The framework above can be applied to identify the primary custodian carrying the largest position, with secondary and tertiary custodians selected to provide architectural diversification rather than institutional duplication.

### Step four: document the rationale

Whatever conclusion is reached, the family office should document the analytical reasoning that produced it. The decision should be reproducible: a successor principal, a chief investment officer, or a regulator reviewing the governance documentation should be able to read the custody decision rationale and understand why the specific custodian or combination of custodians was selected, what considerations were weighed, and what conditions would warrant revisiting the decision.

Custody decisions are not permanent. As the institutional digital asset custody market continues to develop, the relative position of the three providers will continue to evolve. New providers may enter. Existing providers may merge, fail, or substantially change their offerings. The objective of the documented rationale is not to lock in the current decision but to ensure that future revisions are made deliberately, against an articulated baseline, rather than reactively.

## CONCLUSION

### Three Defensible Answers

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The three institutional Bitcoin custodians examined in this whitepaper represent three different operational philosophies. Coinbase Custody represents the institutional consensus model, validated by selection as the primary custodian for the majority of U.S. spot Bitcoin ETFs at launch. Fidelity Digital Assets represents the traditional finance integration model, adapting decades of pooled custody experience and providing seamless interoperability with the Fidelity Investments wealth management ecosystem. BitGo Trust Company represents the architectural diversity model, offering multisig with optional client-held keys and the operational independence that follows.

None of the three is uniformly the right choice. Each is the right choice for a different family office, with different priorities, operating in different broader circumstances. The analytical work for the allocator is

not finding the answer to the custody question. It is identifying which of the three answers best fits the question the allocator is actually trying to ask.

For substantial allocations, the more sophisticated answer is often not to choose. Multi-custodian implementation, particularly across different security architectures, converts the custody question from a single-vendor selection into a portfolio decision, applying to Bitcoin holdings the same diversification principles that family offices already apply to other asset classes.

Whatever the conclusion, the work that produces it is the deliverable. A documented custody framework that the family office can defend, revisit, and revise as the institutional digital asset custody market continues to evolve is the artifact that distinguishes deliberate stewardship from default behavior. This whitepaper has offered the structure for that work. The work itself remains to be done by each family office, on its own facts, with its own counsel.

## DISCLOSURES

### Important Disclosures

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**Material business relationship.** Veritas Bitcoin Strategies, LLC currently uses BitGo Trust Company as its primary on-chain Bitcoin custodian for client accounts that hold direct Bitcoin. The firm does not receive compensation from BitGo, Coinbase Custody, or Fidelity Digital Assets, and has no referral or revenue-sharing arrangement with any of these custodians. This relationship is disclosed in the Executive Summary and again here so that readers can evaluate the analysis above with full knowledge of the firm's operational posture.<sup>8</sup>

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<sup>8</sup>BitGo discloses up to \$250 million in insurance coverage from a Lloyd's of London syndicate for assets held in qualified custody. Coinbase discloses a commercial crime insurance policy covering both online and offline storage without publishing the dollar amount. Insurance terms, limits, and conditions vary by provider; readers should request current coverage details directly from each custodian.

Custodian information. Statements about custodian capabilities, security architectures, insurance coverage, regulatory standing, and operational features are based on publicly available information as of the date of this whitepaper. Custodian capabilities and disclosures may change without notice. Readers should request current information directly from any custodian under consideration before making custody decisions. Veritas Bitcoin Strategies is not affiliated with Coinbase Custody Trust Company, Fidelity Digital Asset Services, or BitGo Trust Company, except as disclosed above with respect to the firm's use of BitGo as a service provider.

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