

August 5th - August 11th

PERSPECTIVES by Eric F. Risley

Regulation is table stakes.

In the context of financial services regulatory sensitivity, two topics are primary, i) safety and security of customer assets and ii) ensuring bad actors are excluded from using the global financial system.

Like it or not, crypto has proven to be vulnerable to both and yes, while perhaps a “smaller problem” than is faced in traditional financial markets, this offers zero excuse to not take this seriously. A substantial portion of the coming crypto “regulatory regime” will address these two issues.







This week the **Federal Reserve and Consumers Bank announced an agreement** acknowledging material issues with compliance with the Bank Secrecy Act (BSA), Anti-Money Laundering (AML) and Office of Foreign Asset Control (OLFAC) and agreeing to a remediation plan.

It's disappointing to see a large traditional financial institution fall down on such fundamental requirements. It's particularly distressing as Consumers Bank has assumed an important role in offering 24/7 US Dollar settlement services for institutional crypto traders following the demise of Silvergate Bank and Signature Bank in 2023. Perhaps the silver lining is this enforcement action offers a clear roadmap for others.

As we are all aware, this is one of many enforcement and regulatory actions that are ongoing across our industry. **Gibson Dunn publishes a monthly report** offering an excellent summary.

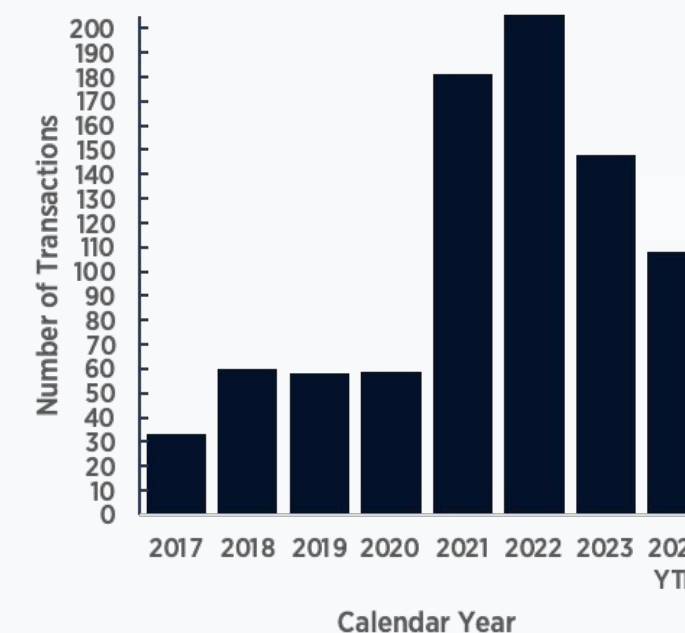
Regulatory challenges remain the largest industry depressant to both its ability to thrive and to strategic moves such as mergers & acquisitions. Good progress is happening every day and the quicker we resolve this problem, the better.

RECENT CRYPTO M&A TRANSACTIONS (click here for full AP M&A Tracker)

Target	Acquirer	Transaction Summary	AP M&A Alert
		<p>Transaction Value: \$1.7M, Stock Rationale: New company offering Sector: Investing & Trading Infrastructure Target Description: Cyber security solutions for blockchain, gaming, AI/ML.</p>	
		<p>Transaction Value: Not Disclosed Rationale: Product Expansion Sector: Blockchain & Protocol Target Description: Licensed Mortgage lender and service offering collateralized crypto lending products.</p>	

OVERALL CRYPTO M&A ACTIVITY LEVELS

Past Seven Years



Past 52 Weeks

