

May 11th - May 17th
PERSPECTIVES by Eric F. Risley

A post-Consensus Conference lull this week brought only two announced transactions. However, far more important was progress on the CLARITY Act.





Pantera's Paul Veradittakit published a [solid overview](#) of the week's happenings and why this matters. History teaches us that regulatory frameworks are what we call a "primary ingredient," along with capital and entrepreneurship, in allowing an industry to fully develop. The EU's MiCA, the UAE's VARA, Singapore's MAS, and Zug's early efforts in 2018 were important precursors. However, without the full support of the US financial system, capital markets, and deep culture of innovation, too many questions remained unanswered.

The relatively recent passage of the STABLE Act has propelled the beginnings of widespread acceptance and a strategic embrace of stablecoins as a legitimate form of payment. Since then, and in anticipation of that regulatory clarity, 33+ M&A transactions have emerged relating to the promise of "re-plumbing" global payments. This includes five transactions (most notably [BVNK | Mastercard](#) and [Bridge | Stripe](#)) where traditional payment and stablecoin payment companies have merged, or "bridge transactions" in our language.

The CLARITY Act is far more substantive and, if passed into law, will trigger a far larger strategic imperative, which will translate partially into M&A. Virtually every financial services business globally will be impacted, including banking, securities, payments, and other industries where a "single source of truth" can replace multiple proprietary versions that require constant reconciliation.

The CLARITY Act is most like the Securities Act of 1933 and the Exchange Act of 1934, which established the regulatory guidelines that created the largest and most trusted capital markets globally. Other comparable regulatory actions that reshaped financial services and drove M&A include the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994, which allowed interstate banking, and the repeal of Glass-Steagall, which had separated banking and non-banking financial services. There are plenty of other examples within and outside of financial services that demonstrate that regulatory clarity often drives strategy and industry-shaping M&A.

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

Target	Acquirer	Transaction Summary	M&A Alert
		Transaction Value: \$142.9M Rationale: To be publicly listed on Nasdaq Sector: Investing & Trading Infrastructure Target Description: Gold-backed DeFi offering lending and yield products anchored to physical gold reserves	○
		Transaction Value: Not disclosed Rationale: To internalize the vault layer to its network and unify its DeFi technical stack under direct ownership Sector: Investing & Trading Infrastructure Target Description: Vault layer on movement network for on-chain asset allocation and strategy optimization	○

OVERALL CRYPTO M&A ACTIVITY LEVELS
