



MAYER | BROWN

# MAYER BROWN AND KBW INVESTMENT BANK FINANCIAL SERVICES M&A FORUM

JANUARY 14, 2025



# M&A AND DIGITAL ASSETS: THE ROLE OF M&A IN THE CONVERGENCE OF TRADITIONAL FINANCIAL SERVICES AND BLOCKCHAIN / DIGITAL ASSETS



**Matt Homer**  
General Partner  
The Venture Dept.



**Joe Castelluccio**  
Partner  
Mayer Brown



**Paul McCaffery**  
Managing Director  
KBW Investment Bank



The background features a dark, textured surface with glowing, golden-yellow digital patterns and lines, resembling a circuit board or data stream. A silhouette of a city skyline is visible in the lower half of the image.

# BLOCKCHAIN AND FINANCIAL SERVICES: KEY TRENDS AND PRODUCT OPPORTUNITIES DRIVING M&A DEALS

# AGENDA

1. Executive Summary
2. Introduction to a Revolution in Financial Markets
3. The U.S.'s First 'Crypto' Election: Administration Policy Objectives for Financial Regulation and Digital Assets
4. Key Trends and Product Opportunities Driving M&A Deals





# 01

## EXECUTIVE SUMMARY





## EXECUTIVE SUMMARY – MARKET OPPORTUNITY AND STRATEGY DEVELOPMENT

1. Blockchain and digital assets present a once-in-a-generation evolution in financial technology, financial markets and cross-border money flows.
2. After years of steady growth and significant advancements in an uncertain regulatory environment, expected changes to US policy and regulation will catalyze massive growth of digital assets products/services and crypto assets as investments.
3. Banks and other traditional financial businesses will develop and evolve blockchain and digital asset strategies that complement their businesses and allow them to compete in these changing markets.
4. There is no one-size-fits-all strategy and growth may be achieved in numerous ways, including through product development, partnerships, and mergers and acquisitions.
5. We hope this presentation is useful in understanding the market landscape and introducing concepts to incorporate into an effective digital assets and blockchain strategy.





02

INTRODUCTION TO A REVOLUTION IN  
FINANCIAL MARKETS



## IMPACT OF BLOCKCHAIN AND DIGITAL ASSETS ON FINANCE, MARKETS AND COMMERCE CANNOT BE OVERSTATED

- Blockchain technology and digital assets are a once-in-a-generation evolution in financial technology, financial markets and cross-border money flows.
- Analogous digital transformations:
  - Society for Worldwide Interbank Financial Telecommunications (SWIFT) messaging system for international payments (1970s)
  - Depository Trust Company (DTC) for electronic settlement of securities transactions (1970s)
  - Internet e-commerce (1990s)
  - PayPal and Venmo for electronic payments (2000s)

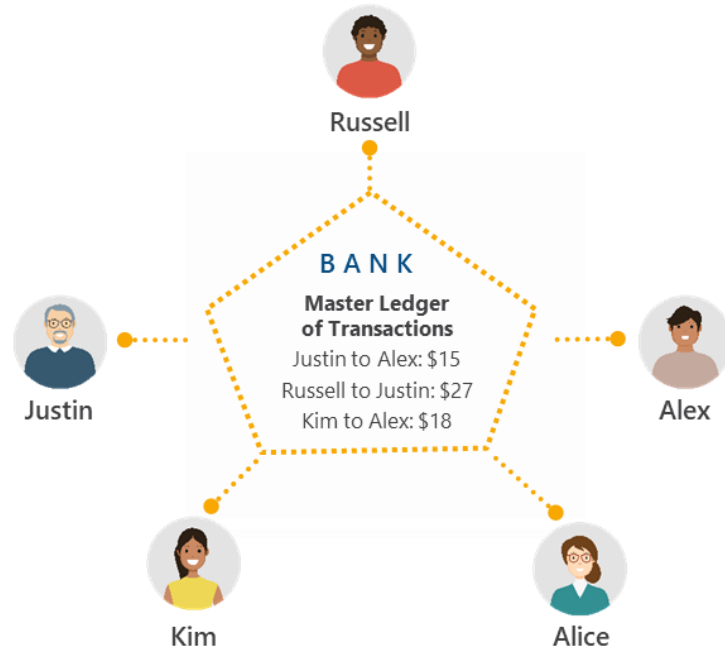




# CENTRALIZED VS DECENTRALIZED NETWORKS

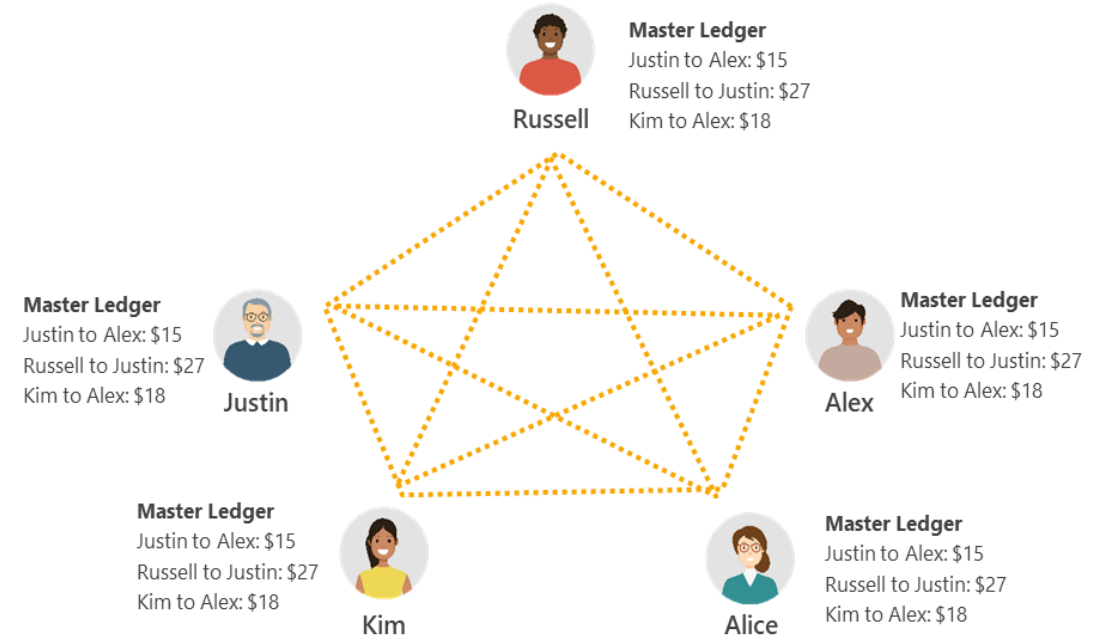
## CENTRALIZED LEDGER/NETWORK

Central authority maintains a master ledger and is responsible for security, verification and access



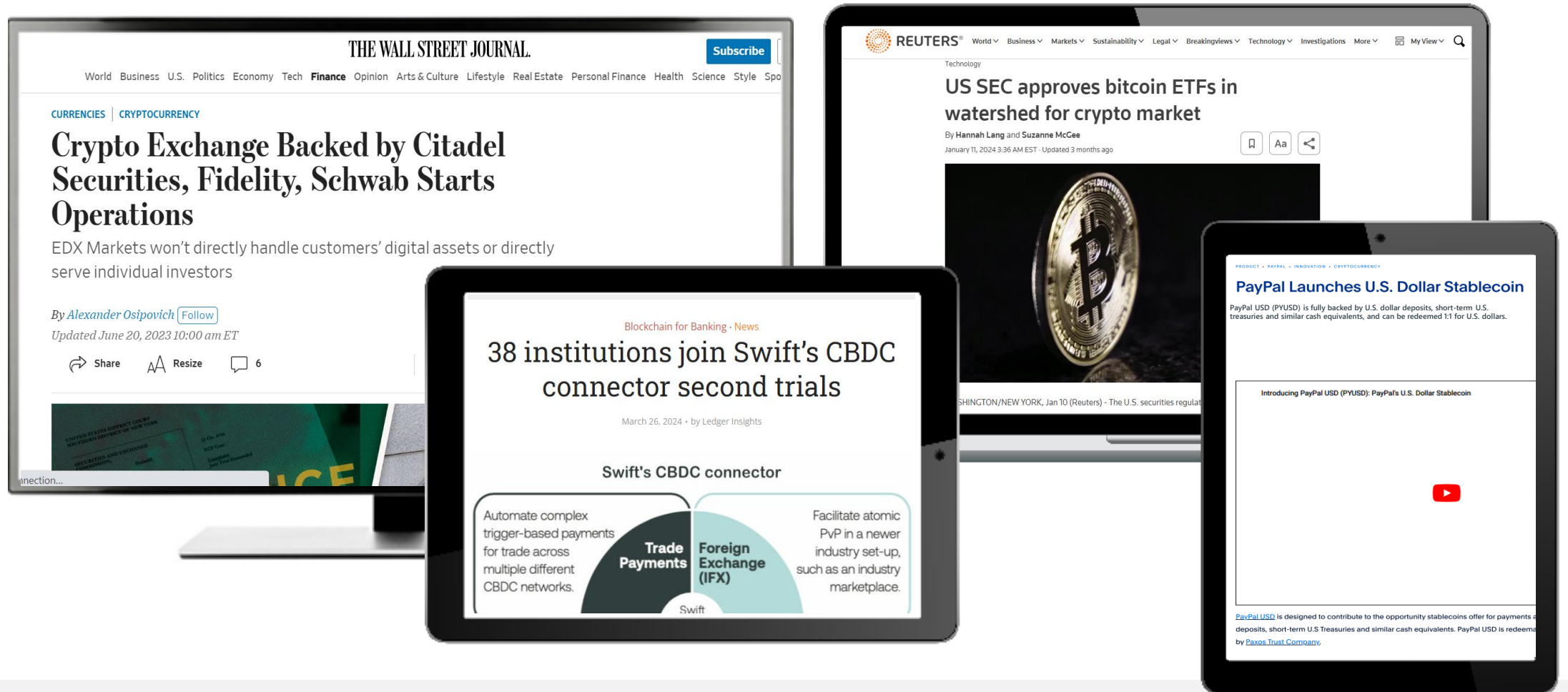
## DECENTRALIZED DISTRIBUTED LEDGER

Full master ledger is maintained / distributed to all users on the network; security and accuracy provided by cryptography and size of network





# BLOCKCHAIN & DIGITAL ASSETS MOMENTUM IN TRADITIONAL FINANCE





# BLOCKCHAIN & DIGITAL ASSETS MOMENTUM IN TRADITIONAL FINANCE



## PRESS RELEASE

### LUXSE ADMITS SECURITY TOKENS ISSUED BY SOCIETE GENERALE

**Luxembourg 31 January 2022:** The Luxembourg Stock Exchange (LuxSE) and Societe Generale today marked the admission of the very first financial instruments registered on a public Distributed Ledger Technology (DLT) on LuxSE's Securities Official List (LuxSE SOL).

The three series of security tokens admitted on LuxSE SOL are digital covered bonds (OFH Tokens) and structured products that have been issued and deployed by Societe Generale's digital assets arm, Societe Generale - FORGE (SG - FORGE), natively on the Ethereum and Tezos public blockchains respectively. They are characterized as financial instruments and debt securities under French law and are compliant with the CAST<sup>1</sup> open-source interoperability and securitization framework.

This admission takes place within a larger context marked by the acceleration of market digitalization using blockchain technology, notably through the imminent adoption of the EU Pilot Regime, which is expected to enter into force in 2022, and which will permit the processing of security tokens through market infrastructures in compatibility with applicable EU regulations within a transitional period.

Native security tokens issued on DLT allow for a fully digital issuance process and lifecycle. Due to their innovative characteristics, native security tokens have the potential to significantly improve efficiency and transparency in financial markets and make transactions safer and



## EIB issues its first ever digital bond on a public blockchain

28 APRIL 2021

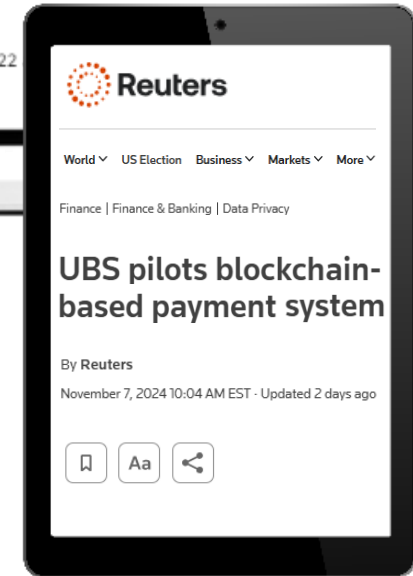
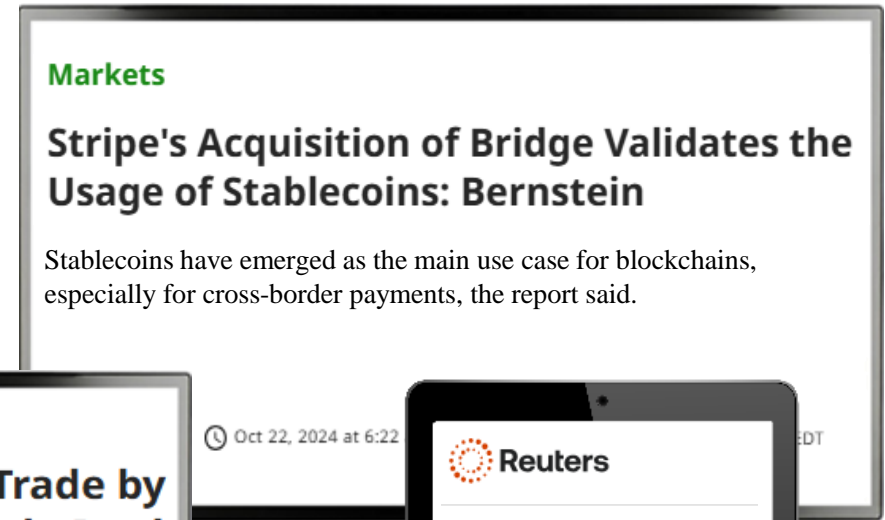
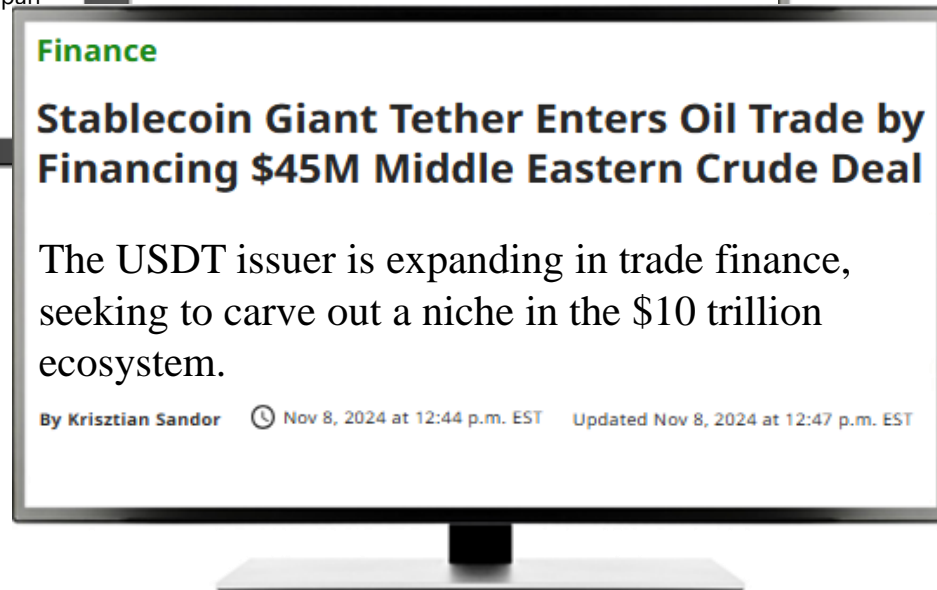
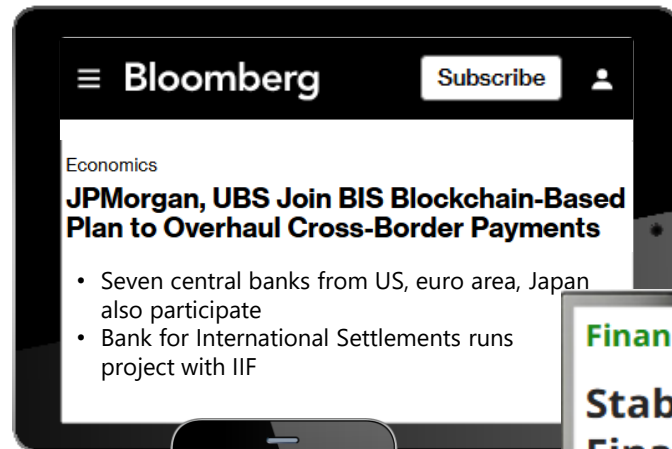
- The EIB spearheads market developments in the digitalisation of capital markets
- The EUR 100m 2-year bond, placed with key market investors, represents the market's first multi-dealer led, primary issuance of digitally native tokens using public blockchain technology
- Project selected by Banque de France as part of its Central Bank Digital Currency (CBDC) sphere
- Similar to the EIB's role in green bonds or risk free rates, the new digital bond issuance may pave the way for market players to adopt blockchain technology for the issuance of financial securities

On 27 April 2021, the EIB launched a digital bond issuance on a blockchain platform, deploying this distributed ledger technology for the registration and settlement of digital bonds, in collaboration with Goldman Sachs, Santander and Societe Generale.

In a partnership with Banque de France, the payment of the issue monies from the underwriters to the EIB has been represented on the blockchain in the form of CBDC.



# BLOCKCHAIN & DIGITAL ASSETS MOMENTUM IN TRADITIONAL FINANCE





# 03

THE U.S.'S FIRST 'CRYPTO' ELECTION':  
ADMINISTRATION POLICY OBJECTIVES FOR  
FINANCIAL REGULATION AND DIGITAL ASSETS



## 2024: THE U.S.'S FIRST CRYPTO ELECTION







## ADMINISTRATION POLICY OBJECTIVES – FINANCIAL REGULATION AND DIGITAL ASSETS

1. Roll back many of Biden-era financial regulations
2. Regulatory relief/guidance for digital assets from Securities and Exchange Commission (SEC) and Commodities Futures Trading Commission (CFTC)
3. Favorable rulemaking by SEC and CFTC
4. Legislation to establish a regulatory regime for digital assets
5. New SEC, CFTC Chairs will be appointed
6. Potential return of tailoring of banking regulations





# 04

KEY TRENDS AND PRODUCT OPPORTUNITIES  
DRIVING M&A DEALS





## BLOCKCHAIN, DIGITAL ASSETS AND FINANCIAL SERVICES: KEY TRENDS AND STORYLINES

1. Convergence of traditional financial products with digital asset infrastructure will accelerate with anticipated changes to U.S. policy and regulation.
2. This convergence will combine with regulatory and policy changes, a maturing market and increased customer adoption of blockchain products to accelerate M&A activity.
3. Crypto assets are emerging as a legitimate alternative asset class for institutional and high-net-worth (HNW) investors.
4. Stablecoins are becoming a legitimate and widely used financial product, with growing assets under management and use-cases and an increasing number of revenue-generating opportunities for financial institutions.



## KEY TREND #1: CONVERGENCE OF ESTABLISHED FINANCIAL PRODUCTS WITH DIGITAL ASSET INFRASTRUCTURE

- Traditional finance (TradFi) is increasingly adopting and integrating Blockchain technology throughout its product and service lifecycles.
- Blockchain as digital infrastructure enables financial services that are more efficient, faster, at lower cost and with less risk.
- Digital asset and crypto asset products are an increasing focus by investors. (See Key Trend #3).
- In the U.S., these trends will accelerate if the policies and regulations that apply to digital assets are reformed, as anticipated.
- As a result, for most financial services institutions, the future will require a blockchain and digital assets strategy that is integrated in its operations and activities – similar to historical digital transformations in financial markets.





## KEY TREND #1: ACCELERATED CONVERGENCE WITH U.S. POLICY AND REGULATORY UPDATES AND REVISIONS

- The positions of numerous U.S. financial services regulators have significantly restricted the ability of banks and other financial institutions from engaging in crypto-related activities.
- Revisions to crypto policy by the incoming Trump Administration and/or changes to key regulatory agency personnel (SEC, CFTC, OCC, FDIC, Federal Reserve, etc.) could provide significant loosening or elimination of some of these restrictions.
- In just the last few months, there has been an evolution of crypto policy in certain areas.
  - For example, it was publicly reported that BNY obtained a “variance” for crypto asset custody from compliance with the SEC’s Staff Accounting Bulletin 121 (SAB 121), which had effectively prevented most U.S. banks from providing any services or customers’ crypto asset activities.
  - BNY now provides crypto asset custody services where it was previously restricted by the SAB 121, including for Bitcoin and Ethereum ETFs.



## KEY TREND #1: ACCELERATED CONVERGENCE WITH U.S. POLICY AND REGULATORY UPDATES AND REVISIONS

- This could create greater opportunities for financial institutions to offer digital assets-related products and services – for example, in the following areas:
  - Custody of crypto assets
  - Tokenization of real-world assets (RWA)
  - Facilitation of customer purchases and sales of crypto assets
  - Loans collateralized by crypto assets
  - Payments and related activities/products, including stablecoins  
([See Key Trend #4](#))
  - Holding crypto assets as principal
- For our discussion of how companies can capitalize on these opportunities through M&A transactions, [see Key Trend #2](#).





## KEY TREND #1: CASE STUDY - BLACKROCK USD INSTITUTIONAL DIGITAL LIQUIDITY FUND (BUIDL)

- BlackRock launched its first tokenized fund issued on a public blockchain, dubbed the BlackRock USD Institutional Digital Liquidity Fund (BUIDL), earlier this year.
- BUIDL is pegged to the U.S. dollar and offers monthly dividends to investors.
- The tokenized fund invests 100% of its assets in cash, U.S. Treasury bills, and repurchase agreements. BNY Mellon enables the fund's interoperability between digital and traditional markets.
- BlackRock's integration of BUIDL into crypto derivatives trading could establish it as a key alternative to traditional stablecoins, which serve as collateral in the crypto derivatives space.
- According to market data, in September alone crypto derivatives accounted for over 70% of the total crypto trading volume, which totaled almost \$3 trillion traded on centralized exchanges.

## KEY TREND #1: CONVERGENCE OF ESTABLISHED FINANCIAL PRODUCTS WITH DIGITAL ASSET INFRASTRUCTURE

- **Key Issues, Risks and Challenges**

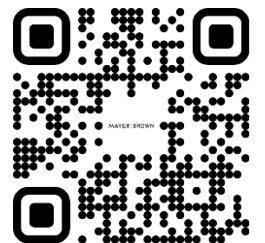
- Regulatory Uncertainty and Evolving / Overlapping Regulations – Banking, Securities, Sanctions, etc.
- Integration of Technology in a Regulatorily Compliant Manner
- Tension Between What Is Technological Possible and What Is Regulatorily Compliant

- **How Mayer Brown Can Help – Mitigation and Best Practices**

- Advise on strategic balancing of business goals and regulatory requirements and risks
- Develop roadmap for partnership between product and compliance teams; Develop training and structure advice for product and compliance teams
- Monitor legal developments and anticipating regulatory updates

- **Mayer Brown Resource:** [Digital Assets Download](#) is a regular publication that provides original insights and market updates from our global team.

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and Subscribe







## KEY TREND #2: REGULATORY AND POLICY CHANGES, A MATURING MARKET AND INCREASED CUSTOMER ADOPTION WILL RESULT IN INCREASED M&A ACTIVITY

- The digital assets sector has already seen significant M&A activity -- from traditional businesses seeking a foothold in the sector and from crypto-native players looking to expand and scale
- Policy changes and regulatory updates will cause this trend to accelerate
  - Traditional financial institutions and incumbent players will look to accelerate entry into key digital assets products and services
  - Crypto-native and digital asset firms may be attractive targets for established companies aiming to enhance or expand their crypto and digital assets products and services
- As the regulatory landscape shifts in the U.S., cross-border M&A will increasingly become a viable path for inorganic growth through deals with businesses that have avoided the U.S. market to date

## KEY TREND #2: RECENT DIGITAL ASSETS M&A ACTIVITY – SECTOR-SPECIFIC

### Asset Management M&A

- Borderless Capital acquired CTF Capital in 2024. CTF Capital, a quant trading and asset management firm, gave Borderless Capital over \$500 million in additional AUM. Publicly announced plans called for funds managed by CTF Capital to be merged into a Borderless open-ended hedge fund focusing on liquid digital assets.
- Coinbase acquired One River Digital Asset Management in 2023. One River, an institutional digital asset manager and SEC-registered investment adviser, served as the platform basis for Coinbase Asset Management.

See Key Trend #3 for unique challenges in M&A involving crypto asset managers and ways to address and mitigate these risks.





## KEY TREND #2: RECENT DIGITAL ASSETS M&A ACTIVITY – SECTOR-SPECIFIC

### Custody

- Ripple acquired Standard Custody & Trust Company in 2024. SC&TC held a limited purpose trust charter and other regulatory permissions that enabled Ripple to expand its product and service offerings.
- Ripple acquired Metaco in 2023. Ripple's first major acquisition targeted Metaco, maker of technology that allows financial institutions to store and manage digital assets.

### Stablecoins and Payments

- Stripe acquired Bridge for \$1.1B in 2024. Bridge facilitates stablecoin payments and transactions for B2B enterprises. The acquisition allows Stripe to tap into the rapidly growing stablecoin market.
- MoonPay acquired Helio in January 2025 for \$175M. Helio is a Solana-based payment firm that provides tools for merchants and creators by to accept cryptocurrencies as payment.



DTCCSECURITIZEcoinbasePayPal

## KEY TREND #2: RECENT DIGITAL ASSETS M&A ACTIVITY – SECTOR-SPECIFIC

### Digital Asset Infrastructure

- DTCC acquired Securrency in 2023. Depository Trust and Clearing Corporation (DTCC) settles the vast majority of securities transactions in the U.S. Securrency provides institutional-grade digital asset infrastructure to facilitate the trading, settlement and servicing of digital securities and assets.
- Securitize acquired Onramp Invest in 2023. Onramp Invest operates a digital asset management platform that connects traditional and digital asset financial infrastructures.
- Coinbase acquired Bison Trails for \$457M in 2021. Bison Trails was a foundational blockchain infrastructure acquired to help strengthen and secure Coinbase's infrastructure and API services on multiple blockchains.
- PayPal acquired Curv for \$200M in 2021. Curv was a digital asset security company with services used to enhance its crypto asset custody and security capabilities.



## KEY TREND #2: RECENT DIGITAL ASSETS M&A ACTIVITY – SECTOR-SPECIFIC

### Exchanges

- Coinbase acquired FairX for \$275M in 2022. FairX is a U.S.-based derivatives exchange, offering regulated futures products that cater to both retail and institutional investors.
- Robinhood acquired Bitstamp for \$200M in 2023. Robinhood, a popular platform for retail investors, acquired Bitstamp (one of the oldest crypto asset exchanges globally) to enhance its crypto asset offerings.
- MIAX acquired LedgerX for \$50M in 2023. MIAX purchased LedgerX's crypto asset derivatives platform to provide regulated crypto asset trading products, leveraging LedgerX's licenses and infrastructure.





Deutsche Bank



**BlackRock**



## KEY TREND #2: DEALS CAN INCLUDE JOINT VENTURES, LICENSING AND PARTNERSHIP ARRANGEMENTS

- Deutsche Bank partnership with BitPanda: Deutsche Bank will provide real-time payment solutions for Bitpanda customers for both incoming and outgoing transactions. Deposits or withdrawals of fiat currencies from Bitpanda will go through Germany's largest bank.
- Visa partnership with Coinbase: Through "Visa Direct," Coinbase customers can transfer funds into their Coinbase account in real time using an eligible Visa debit card, purchase crypto assets on Coinbase directly with an eligible Visa debit card, and cash out funds from Coinbase to a bank account, via an eligible Visa debit card, in real time.
- Blackrock partnership with Securitize: Blackrock used Securitize to launch tokenized Treasury bills money market fund BUIDL on Ethereum blockchain. As part of this partnership, Blackrock led a \$47M funding round in Securitize. The BUIDL fund now exceeds \$500M in market cap.
- Blackrock relationship with Ondo Finance: Ondo uses BlackRock's iShares Short Treasury Bond ETF to back its OUSG yield-generating stablecoin. Ondo has now moved \$95M of assets to Blackrock's BUIDL fund to allow instant settlements and redemption of OUSG.
- The Canton Network: Canton is a blockchain network that connects financial institutions and banks. Some banks and other financial institutions that have used or are using the Canton Network include Goldman Sachs, HSBC, Bank of America, Citi, and BNY.



## KEY TREND #2: REGULATORY AND POLICY CHANGES, A MATURING MARKET AND INCREASED CUSTOMER ADOPTION WILL RESULT IN INCREASED M&A ACTIVITY

- **Key Issues, Risks and Challenges**

- Identifying viable digital asset products and services that complement overall strategy and are appropriate for M&A growth
- Risk assessment and post-closing integration, especially for targets that have not been subject to stringent regulatory requirements

- **How Mayer Brown Can Help – Mitigation and Best Practices**

- Assess business and legal risk through diligence in specific areas that create unique risks in this sector – including the intersection of data, artificial intelligence and IP
- Assess go-forward regulatory compliance requirements and remedial actions for target
- Create post-closing integration plan, with incremental steps as needed

- **Mayer Brown Resource:** [Deals in Digital Assets](#) is a joint resource from our M&A, Funds and Digital Asset teams that provides insights on deal structuring and mitigating risks in M&A, partnerships and investments in this sector.

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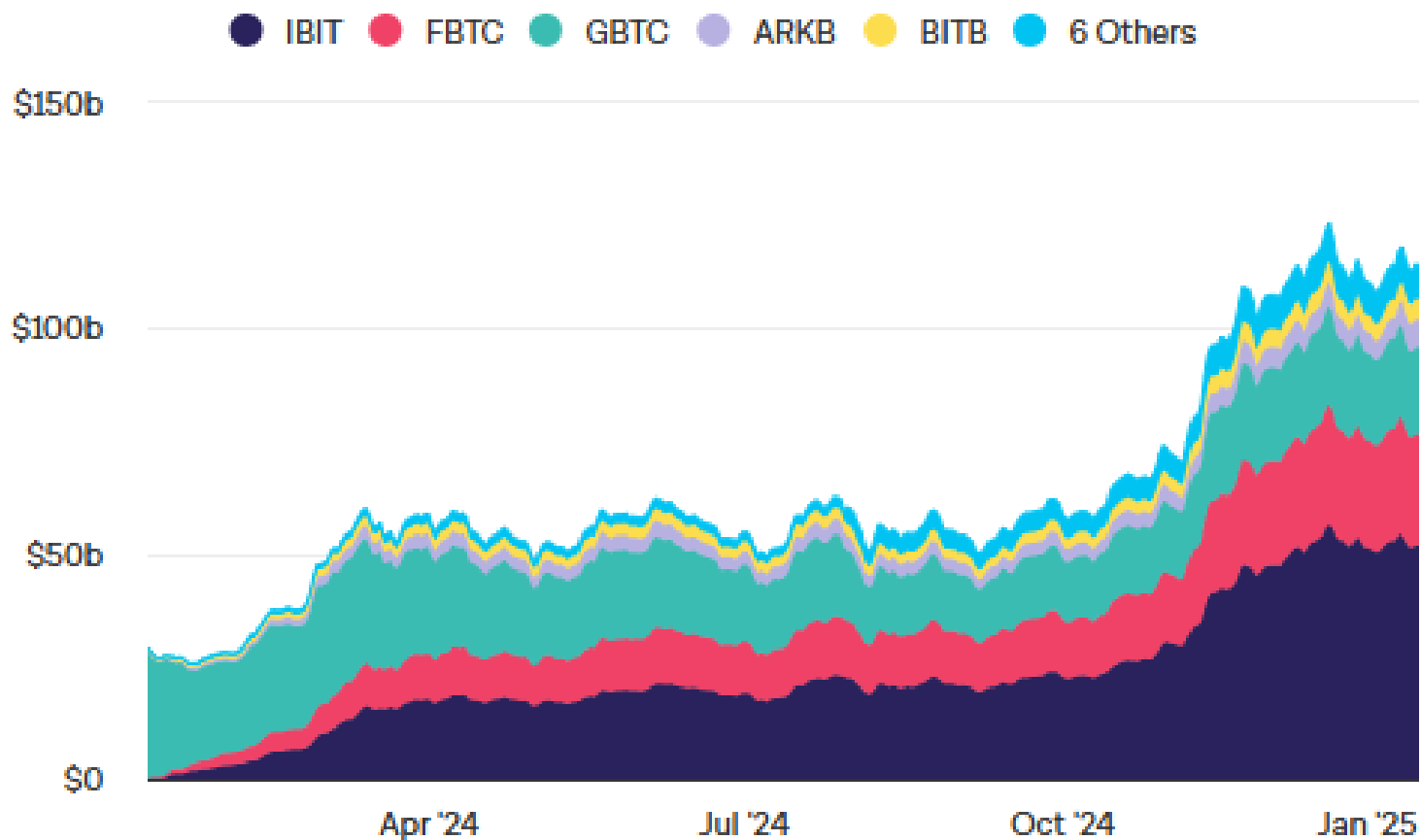
### KEY TREND #3: EMERGENCE OF CRYPTO ASSETS AS A LEGITIMATE ALTERNATIVE ASSET CLASS FOR INSTITUTIONAL AND HNW INVESTORS

- Assets under management for crypto-specific strategies has grown continuously in 2024.
- Traditional asset managers – and more importantly, their institutional clients – are increasingly looking for exposure to this asset class.
- Crypto assets as a group are non-correlated to most other asset classes, with potential for outsize returns (and corresponding risk) in an investment environment where “alpha” is increasingly hard to find.
- According to a recent [Global Digital Finance \(GDF\) study](#), [93% of major finance firms](#) in the US, Asia, Europe (including the UK) and the Middle East “now handle Bitcoin in some shape or form including as part of ‘testing’ the digital asset sector.” The firms surveyed are responsible for over \$220 billion in assets under management.
- Coinbase recently released the Coinbase50, an index for tracking performance by the crypto market.



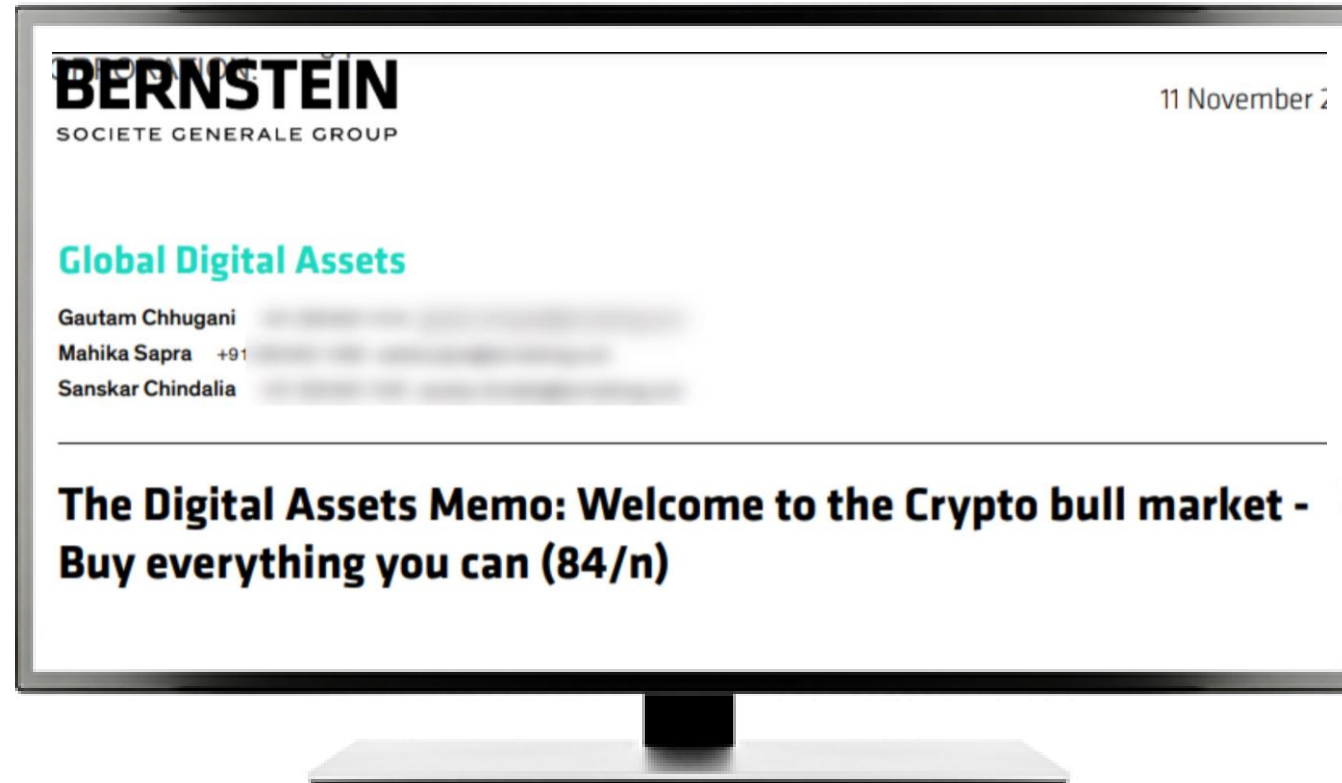


## Spot Bitcoin ETF AUM (Daily)



SOURCE: THE BLOCK  
UPDATED: JAN 13, 2025

## KEY TREND #3: EMERGENCE OF CRYPTO ASSETS AS A LEGITIMATE ALTERNATIVE ASSET CLASS FOR INSTITUTIONAL AND HNW INVESTORS







### KEY TREND #3: BANKS ARE ALREADY INCREASING EXPOSURE TO CRYPTO ASSETS

- According to data from the Commodity Futures Exchange Commission (CFTC), Wall Street banks purchased significant positions in bitcoin futures in the weeks prior to the U.S. presidential election.
- According to the CFTC's Commitment of Traders report from November 5, the brokerage units of big banks took long positions amounting to \$3 billion in bitcoin futures at the Chicago Mercantile Exchange (CME).
- SEC regulations prohibit broker-dealers from owning bitcoin outright but they are allowed to hold derivative products, including futures and exchange traded funds.
- Given that the average purchase price of each contract was for bitcoin at \$65,800, based on the recent high of nearly \$90,000, banks may be sitting on a paper profit of as much as \$1.4 billion, according to an analysis by *Forbes* magazine.

## KEY TREND #3: EMERGENCE OF CRYPTO ASSETS AS A LEGITIMATE ALTERNATIVE ASSET CLASS FOR INSTITUTIONAL AND HNW INVESTORS

- **Key Issues, Risks and Challenges**

- Structuring products to balance market demand and risk management requirements
- Shareholders lawsuits arising from inadequate or misleading disclosure
- Valuation challenges in partnerships between traditional asset managers and crypto asset managers

- **Mitigation and Best Practices; How Mayer Brown Can Help**

- Create tailored disclosure for crypto products and strategies – whether registered with the SEC or otherwise
- Provide on/off-shore tax and regulatory analysis and targeted guidance
- Structure partnerships—as acquisitions, minority investments or revenue sharing agreements—based on specific goals and regulatory positions of the parties

- **Mayer Brown Resource:** [Crypto Asset Management – Expansion Roadmap](#) is one in a series of published insights from our combined M&A, Funds and Digital Assets teams.

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## KEY TREND #4: STABLECOINS ARE BECOMING A LEGITIMATE AND WIDELY USED FINANCIAL PRODUCT, WITH GROWING ASSETS UNDER MANAGEMENT AND REVENUE-GENERATING OPPORTUNITIES

- A stablecoin is a type of crypto asset that is designed to achieve price stability through linking its market value to a reference asset, most often the US dollar.
- By linking or “pegging” to a more stable reference asset, the stablecoin can then be used in scenarios where price stability is the primary objective, such as for peer-to-peer or cross-border payments, in the on-chain trading of other digital assets, and in collateralized lending and other decentralized finance (or DeFi) services.
- Stablecoins have seen explosive growth in recent years as they’ve become increasingly used for trading, payments and other financial products and services.
- Current outstanding stablecoin value (market cap) outstanding is approximately \$210 billion (as of January 13, 2025).



## KEY TREND #4: STABLECOINS ARE BECOMING A LEGITIMATE AND WIDELY USED FINANCIAL PRODUCT, WITH GROWING ASSETS UNDER MANAGEMENT AND REVENUE-GENERATING OPPORTUNITIES

There have been numerous announcements on stablecoins from both new digital asset firms as well as established fintech / financial institutions over the last 12 months:

- **Tether (USDT):** Stablecoin market leader Tether (approx. \$135B in market cap) expanded USDT to additional blockchains, including Polkadot and TON.
- **Circle's USDC and BlackRock Partnership:** Circle partnered with BlackRock to manage a portion of USDC reserves, integrating it into traditional financial markets.
- **PayPal USD (PYUSD):** Issued by Paxos under New York regulatory oversight, PYUSD is integrated across PayPal and Venmo platforms, providing easy access to stablecoin transactions for mainstream users. PYUSD operated on public blockchains, including Ethereum and Solana.
- **Paxos Global Dollar (USDG):** A collaboration between many digital asset and fintech institutions, USDG is a regulated dollar-backed stablecoin issued in Singapore. Yield generated by the underlying reserves is shared and distributed among network participants (the "Global Dollar Network"), initially counted as Anchorage Digital, Bullish, Galaxy Digital, Kraken, Nuvei, Paxos and Robinhood. Managed by DBS Bank, USDG advertises enterprise-grade standards and transparency.



## KEY TREND #4: STABLECOINS ARE BECOMING A LEGITIMATE AND WIDELY USED FINANCIAL PRODUCT, WITH GROWING ASSETS UNDER MANAGEMENT AND REVENUE-GENERATING OPPORTUNITIES

- **Paxos Lift Dollar (USDL):** A yield-bearing stablecoin, USDL distributes daily interest to holders from reserves invested in short-term U.S. Treasuries. This product is geared towards regulated environments, with oversight from the Financial Services Regulatory Authority (FSRA) of Abu Dhabi.
- **Ripple USD (RLUSD):** Ripple partnered with financial institutions and exchanges to establish RLUSD as a stable fiat bridge in major crypto asset exchanges and platforms (including Uphold, Bitstamp, Bitso, MoonPay, Independent Reserve, CoinMENA, and Bullish). RLUSD's focus is regulatory compliance and meeting the demand of enterprise-grade stablecoins.
- **Solayer Synthetic Stablecoins (sUSD):** Solayer partnered with OpenEden Labs to allow users to mint stablecoins themselves with as little as \$5, allowing them to capture the majority of the interest from underlying U.S. Treasury bills. Solayer offers instant redemption for sUSD, showcasing the capabilities of blockchain technology for democratization of finance as well as how it can enhance liquidity.





## KEY TREND #4: STABLECOIN LEGISLATION IS LIKELY TO BE A FOCUS OF THE NEXT ADMINISTRATION AND CONGRESS

- When the 118<sup>th</sup> Congress concluded in December 2024, there were several bills in various stages of consideration to update and revise the regulations that apply to stablecoins.
- The proposed legislation aimed to provide a clear regulatory framework for stablecoin issuance, establish oversight mechanisms, and implement consumer protection measures for users.
- The proposed legislation also provided a pathway for either banks (in particular, insured depository institutions under federal law, or “IDIs”) or non-bank entities to issue stablecoins.
- The proposed legislation also required stablecoin issuers to maintain one-to-one reserve backing using safe assets, such as U.S. currency, short-term U.S. Treasuries, and insured deposits.
- Comments from incoming Republican leadership in Congress have indicated that stablecoin legislation will continue to be a priority in the new Congressional term.

## KEY TREND #4: STABLECOINS ARE BECOMING A LEGITIMATE AND WIDELY USED FINANCIAL PRODUCT, WITH GROWING ASSETS UNDER MANAGEMENT AND REVENUE-GENERATING OPPORTUNITIES

- **Key Issues, Risks and Challenges**
  - Regulatory overlap among U.S. federal and state jurisdictions
  - Enforcement uncertainty
  - Use of stablecoins to evade sanctions
  - Reserve maintenance and disclosure
- **How Mayer Brown Can Help – Mitigation and Best Practices**
  - Tailor or limit structure and functionality of stablecoins to address specific regulatory risks
  - Advise on legal impact of technical and commercial consideration, such as use of public blockchains or interoperability of stablecoins in DeFi protocols
  - Monitoring legal developments and anticipating regulatory updates, including proposed stablecoin legislation in the U.S.

- **Mayer Brown Resource:** [Digital Assets Download](#)

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Questions?





PARTNER  
FINTECH, BLOCKCHAIN,  
CORPORATE & SECURITIES,  
MERGERS & ACQUISITIONS,  
FINANCIAL INSTITUTIONS

**JOE CASTELLUCCIO**

[JCASTELLUCCIO@MAYERBROWN.COM](mailto:JCASTELLUCCIO@MAYERBROWN.COM)

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## PRESENTER OVERVIEW

Joe Castelluccio is a multifaceted advisor who has a broad array of experience advising clients in a range of M&A, joint ventures, capital-raising and corporate governance matters. He is the co-leader of Mayer Brown's Financial Services M&A practice. With almost 25 years of experience in financial markets, he brings a pragmatic perspective to advising clients.

Joe's clients include global financial institutions, insurance companies, private equity funds, multinational corporations and innovative emerging growth companies. He has extensive experience advising financial institutions and multinational companies based in Japan.

Joe is also the co-leader of Mayer Brown's Global Fintech and Digital Assets, Blockchain & Cryptocurrency groups. He advises global financial institutions, payments providers and banks in technology investments and blockchain strategies and products. Joe's clients also include the world's most innovative blockchain native businesses, token issuers and developers.

Joe is the editor of [Digital Assets Download](#), a curated mix of insights and headlines that provide a unique perspective on the digital assets multiverse. Joe is the author of over 70 written publications on digital assets legal issues and he is frequently quoted in publications such as *Forbes*, the *New York Times*, the *Washington Post* and *TechCrunch*.

Joe is licensed to practice law in the States of New York and Wyoming.

Our team includes **market-leading digital assets experts** and **former senior officials in government and regulators** that have jurisdiction over digital assets. We have a long history representing pioneers in blockchain and technological innovation and the same team has decades of experience representing the world's largest banks and financial services companies.

Our clients include **the world's largest financial institutions, payments providers, banks and VC/PE funds** that are developing digital assets and blockchain strategies and products. Our clients also include the **world's largest and most innovative cryptocurrency exchanges, blockchain native businesses, token issuers and developers.**

## MAYER BROWN'S DIGITAL ASSETS, BLOCKCHAIN & CRYPTOCURRENCY PRACTICE

With one of the largest Digital Assets, Blockchain & Cryptocurrency practices in the world, Mayer Brown has over 60 attorneys with a wide variety of experience representing a diverse set of clients across the lifespan of their digital asset products and strategies.

We advise and counsel clients across the lifespan of their cryptocurrency and digital asset products, including:

### INVESTIGATIONS, ENFORCEMENT & LITIGATION

- Cross-border disputes, including those in major financial markets Investigations and enforcement by government regulators (DOJ, SEC, CFTC, NYDFS, among others)
- Commercial, consumer, class action, regulatory and appellate litigation
- Anti-money laundering and sanctions
- Intellectual property including trademark, copyright, patent infringement and protection
- Cybersecurity and incident response

### REGULATORY, COMPLIANCE & PUBLIC POLICY

- Product design, licensing and regulatory approvals and ongoing regulatory advice related to fintech products and platforms
- Regulations and policies related to:
  - Securities and broker-dealers
  - Commodities and derivatives, including futures, options and swaps
  - Payments and banking

### CORPORATE/M&A, SECURITIES & CAPITAL MARKETS

- Corporate governance
- Tax considerations, structuring and transfer pricing
- Digital services, outsourcing and critical third-party service-provider relationships
- Investments, licensing arrangements, collaborations and acquisitions of digital products and platforms
- Investment vehicle and product structuring and fund formation (public and private)



## SELECTED MAYER BROWN EXPERIENCE

### HASHSMITH, INC.

Advised a leading bitcoin mining company in its financing and commercial transactions.

### BLOCKCHAIN AND DIGITAL ASSETS HOLDING COMPANY

Advised a holding company formed by one of the world's most prominent blockchain creators on US securities law and regulatory analysis, investments, and tax issues related to blockchain and digital assets.

### NATIONAL BANK OF CANADA

Represented National Bank of Canada in the issuance of a \$150m, one-year floating-rate Yankee certificate of deposit, with a parallel simulation of the issuance using blockchain technology.

### BITNOMIAL EXCHANGE

Represented Bitnomial Exchange in its important and high-profile Commodity Futures Trading Commission registration for a futures exchange to offer margined bitcoin futures subject to physical delivery.

Represent Bitnomial Exchange with respect to the development and listing of futures contracts based on cryptocurrencies, which included significant engagement with CFTC staff.

### BITNOMIAL CLEARINGHOUSE

Advised Bitnomial in the listing of the Hashprice futures contract, and assisted Bitnomial enter into a license agreement whereby Bitnomial licensed the index necessary to list the futures contract.

### LUXOR TECHNOLOGY CORPORATION

Advised a large cryptocurrency mining company, on the structure and documentation of a new swap contract for bitcoin miners to hedge their risks associated with fluctuations in the price of bitcoin.

### SLATE PATH CAPITAL

Advised a large hedge fund with respect to the build-out of its crypto trading operation.

### GUGGENHEIM

Advised Guggenheim Treasury Services, a subsidiary of Guggenheim Partners, on its issuance of \$20 million of tokenized commercial paper on the Ethereum blockchain in partnership with blockchain platform Zeconomy.

### CRYPTOCURRENCY EXCHANGE

Represented one of the world's largest cryptocurrency exchanges in its dealings with US authorities.

### GLOBAL BANK

Represented a global bank on all aspects of offerings of tokenized structured notes and bank notes via a permissioned blockchain, including bank regulatory, custody and tax considerations.

### GLOBAL INVESTMENT BANK

Advised a global investment bank in its representation of a large cryptocurrency exchange in numerous transactions involving token investments and equity holdings in crypto businesses.

## SELECTED MAYER BROWN EXPERIENCE

### CONSORTIUM OF FINANCIAL INSTITUTIONS

Represented a consortium of financial institutions on the issuance of commercial paper via blockchain.

### NUMEROUS FINANCIAL INSTITUTIONS

Advising numerous financial institutions on the scope of permissible activities under relevant regulatory regimes, including custody of digital assets and tokenization of deposits and other assets.

### BLOCK, INC. (F/K/A SQUARE)

Represented Block, Inc. (f/k/a Square) on a broad range of issues in connection with its hugely popular Cash App, including issues related to the Cash App cryptocurrency exchange.

### TWO SENIOR FTX EXECUTIVES

Represented two senior FTX executives, Ryan Salame (CEO, FTX Digital Markets) and Sam Trabucco (co-CEO, Alameda Research) in ongoing DOJ, SEC, CFTC, and other investigations, regulatory inquiries, bankruptcy proceedings, and litigation surrounding the collapse of FTX, the cryptocurrency exchange.

### FUND MANAGER

Represented a fund manager with respect to its build-out of a global cryptocurrency spot and derivatives trading operation.

### DIGITAL ASSET

Represented Digital Asset, creator of the Daml smart contract language, in its regulatory work to establish the Canton blockchain network.

### BERMUDA-LICENSED FINANCIAL SERVICES COMPANY

Represented a Bermuda-licensed financial services company in its creation of a first-of-its-kind digital assets financial product and related marketplace in the United States.

### MAJOR INVESTMENT BANK

Advised a major investment bank on investments in companies with significant cryptocurrency operations, including comprehensive regulatory reviews in connection with the investment transactions.

### EXECUTIVE FROM PAXFUL

Represent an executive from Paxful, a cryptocurrency company, in an ongoing DOJ investigation.

### PAYPAL and SHOPIFY

Represented PayPal in connection with its participation in (and later withdrawal from) the Libra consortium. We also represented Shopify and several other major fintech companies on Libra consortium participation.

### FORTUNE 100 COMPANY

Represent a Fortune 100 company, and its affiliate in connection with a CFTC investigation involving supervision and risk issues.

### CONSORTIUM OF INVESTORS

Represented a consortium of investors in the development, structuring and creation of a DAO to own and operate a professional sports team.

## SELECTED MAYER BROWN EXPERIENCE

### FINANCIAL TECHNOLOGY COMPANY

Represented a financial technology company in a metaverse co-promotion agreement regarding the establishment of a virtual museum and related NFTs.

### AL BURGIO

Represented Al Burgio, CEO of Zytara Labs, LLC, against plaintiffs' claims of alleged wrongdoing in connection with his alleged purchases of DigitalBits tokens for the DigitalBits blockchain.

### GEMINI TRUST COMPANY

Represented cryptocurrency exchange Gemini Trust Company in a class action lawsuit against Gemini related to a \$36 million theft of digital assets from Gemini's trading platform during a cybersecurity incident.

### NUMBER OF COMPANIES

Represented a number of companies in the development and deployment of alternate payment methods including the providing intellectual property guidance on the implications and risks associated with using non-traditional payment methods not currently regulated by the United States government or Federal Reserve.

### SUN HUNG KAI & CO. LIMITED

Represented Sun Hung Kai & Co. Limited, a Hong Kong-listed alternative investment financial services institution, in its Series B investment in Sygnum Bank AG (Sygnum), the world's first digital asset bank.

### TOKEN OFFERINGS

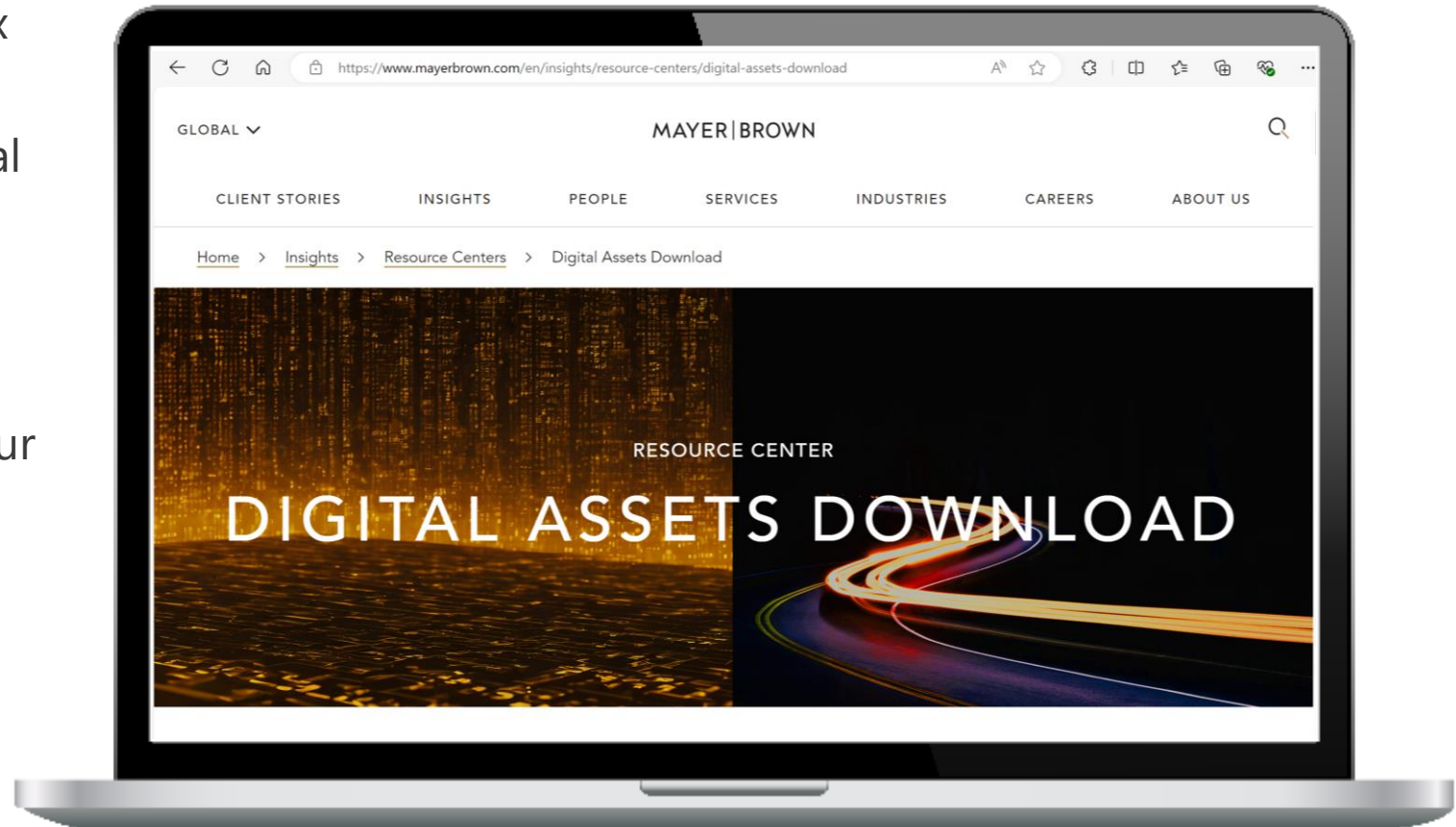
Represented several companies in connection with offerings of security tokens, including structure and regulatory compliance with securities laws, New York BitLicense regulations and money services business laws.



## MARKET-LEADING COMMENTARY

*Digital Assets Download* is a curated mix of insights and headlines that provide a Layer 3 Legal Perspective™ on the digital assets multiverse.

Each issue ([see here for latest](#)) features original Mayer Brown content, perspectives and insights from across our global platform that touch on digital assets, decentralized finance, cryptocurrencies and related fields.



## FINTECH

Mayer Brown's Fintech group brings together an integrated multipractice team to support clients with transactions, disputes and regulatory matters at the intersection of financial services and technology.

We deploy our in-depth understanding of the business, technology and regulation of the financial services industry to help clients build and protect digital platforms, implement digital and data-driven strategies and comply with laws. Mayer Brown's Fintech team has advised clients on developing and launching innovative financial services products—including in:

- Payments/Billing/Money Transfer
- Digital Assets/Blockchain/Cryptocurrencies
- Lending/Marketplace
- Regtech
- Wealth Tech
- Capital Markets Tech
- Insurtech
- Mortgage Tech

## RECOGNITION



Ranked in Fintech in:

- Payments & Lending (US) – **Band 1**
- Corporate, Securities & Financing (US) – **Band 1**
- FinTech: Legal (US) – **Band 2**
- Data Protection & Cyber Security (US) – **Band 2**
- Blockchain & Cryptocurrencies (US) – **Band 4**



Ranked in:

- Financial Services Regulation
- Capital Markets: Structured Finance and Securitization, and Debt and Equity



Ranked in Financial Services Regulation in:

- Banking (Compliance)
- Banking (Enforcement & Investigations)
- Consumer Finance (Compliance)
- Consumer Finance (Enforcement & Investigations)
- Consumer Finance (Litigation)



Ranked **Tier 1** in Fintech, Crypto, Structured Finance: Structured Products and Securitization, and Outsourcing

## OUR INTERNATIONAL FOOTPRINT

Mayer Brown is a leading international law firm positioned to represent the world's major corporations, funds, and financial institutions in their most important and complex transactions and disputes.

### OUR CLIENT SERVICE PRINCIPLES

We are committed to delivering excellence in everything we do by:

- Delivering the best legal advice and service
- Leveraging our deep commercial instincts to serve as our clients' strategic partners and trusted advisors
- Building diverse teams of lawyers from our market-leading practices to help achieve our clients' goals
- Solving our clients' most complex problems with creative and innovative ideas
- Collaborating across offices to deliver the best of our knowledge wherever in the world it's needed
- Using technology to develop new ways to deliver timely and efficient client service





# MAYER | BROWN

Mayer Brown is a global services provider comprising associated legal practices that are separate entities, including Mayer Brown LLP (Illinois, USA), Mayer Brown International LLP (England), Mayer Brown (a Hong Kong partnership) and Taull & Chequer Advogados (a Brazilian law partnership) (collectively the "Mayer Brown Practices") and non-legal service providers, which provide consultancy services (the "Mayer Brown Consultancies"). The Mayer Brown Practices and Mayer Brown Consultancies are established in various jurisdictions and may be a legal person or a partnership. Details of the individual Mayer Brown Practices and Mayer Brown Consultancies can be found in the Legal Notices section of our website. "Mayer Brown" and the Mayer Brown logo are the trademarks of Mayer Brown. © Mayer Brown. All rights reserved.