



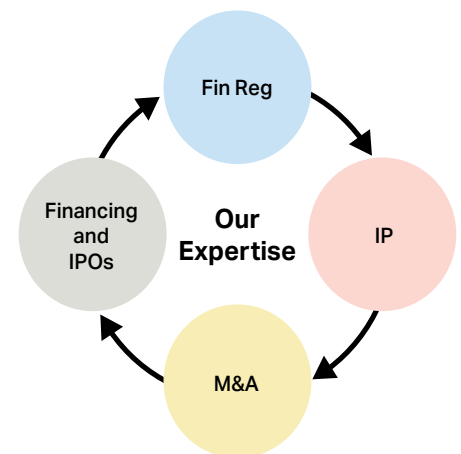
## FinTech and Innovation

Cleary has been at the forefront of developments in the FinTech industry, guiding clients through the complex transactional, regulatory and governance issues associated with innovation in financial services.

Whether for banks and other financial institutions, venture capitalists, industry trade groups or startups, our diverse range of capabilities ensures efficiency and synergy among all relevant constituencies.

We advise clients on the corporate structure and regulatory issues that face financial and technology companies, including the myriad regulatory issues that particularly face companies engaged in financial transactions. We help clients navigate matters involving a wide variety of legal, business, and risk analyses with engagements including:

- Developing business and corporate frameworks for blockchain transaction platforms, virtual currency investment and trading platforms, virtual currency “wallet” platforms, and integrated uses for distributed ledgers in support of other business practices
- Developing corporate charters, regulatory and compliance frameworks, governance, AML/BSA/KYC policies and procedures
- Assessing evolving legal risks under U.S., UK, European and other foreign law
- Assessing and implementing consumer protections
- Assessing cybersecurity and privacy vulnerabilities and compliance with legal requirements
- Advising on intellectual property commercialization, including IP issues that are unique to FinTech companies
- Analyzing and applying commercial markets regulation and bank regulatory requirements to “new” uses of the blockchain
- Advising on capital raising transactions from the perspective of issuers and third party investors



**“[T]echnical expertise balanced with commercial pragmatism, focus and experience... They understand the goal and are constructive and creative in helping us to get there.”**

*Chambers and Partners, 2018*

**Named a “Leading Cybersecurity Law Firm” in a survey of corporate counsel**

*The BTI Consulting Group, 2017*

# Selected Experience

## Bitcoin/Cryptocurrency

- Several FinTech companies in the development of blockchain-based platforms for clearing, settlement and recordkeeping for securities, commodities, and cash transactions
- itBit Trust Company (now Paxos Trust Company) in becoming the first U.S.-chartered and regulated virtual currency exchange; involved many complex and novel regulatory issues
- A major investment management company in the development of Bitcoin and virtual currency trading, investment, and transactional services
- Investment advisory clients in the development and implementation of strategies for virtual currency investments for retail and institutional investor customers both in the U.S. and internationally
- A number of financial institutions on criminal and civil liability associated with non-transactional data written to permissionless blockchains
- A number of financial institutions on the regulatory aspects of FinTech

## Financial Industry Technologies and Related Transactions

- A consortium of banks in the founding of Clariant Entity Hub and subsequently in its sale to Thomson Reuters
- A group of ten investors in their formation of EquiLend LLC, an electronic platform for the facilitation of securities lending and borrowing transactions
- A consortium of major financial institutions in launching FXall, the first electronic platform for institutional trading of spot and forward currency
- A consortium of banks in establishing the Open Platform for Unregistered Securities
- A consortium of banks in an equity investment in Tradeweb Markets
- A major investment bank in its \$790 million sale of its index benchmarking and risk analytics business to Bloomberg and sale of its NYSE designated market maker business to GTS Securities
- Fidessa group plc, a global provider of multi-asset trading and investment software and infrastructure solutions to the world's financial markets, in the approximately £1.4 billion recommended takeover offer from Temenos Group, a global provider of integrated software to banks and other financial institutions

## Payment Technology Companies

- Higher One in its IPO and its \$260 million sale to an affiliate of Blackboard Inc.
- Warburg Pincus in the \$1.1 billion sale of Electronic Funds Source to WEX
- Google in the acquisition of Zave Network
- BNP Paribas in its acquisition of a majority stake in the FinTech Financière des Paiements Électroniques

## Exchanges and Brokerage Firms

- NYSE Euronext in numerous mergers, acquisitions and joint ventures, capital markets offerings, financings and antitrust matters
- NASDAQ-OMX in a bid to acquire 360T, the trading solutions specialist headquartered in Frankfurt and with subsidiaries in New York, Singapore, India, and Dubai
- A large European stock exchange on the potential acquisition of Trayport from Intercontinental Exchange, Inc.
- BrokerTec in the sale of its U.S. and European trading operations to ICAP and in its merger with U.S. Futures Exchange
- Instinet Group in its acquisition of ProTrader Group, a provider of advanced trading technologies and electronic brokerage services and in its acquisition of Island ECN, creating a leading global electronic trading platform
- ICAP (now NEX Group) in its acquisitions of GovPX, Inc. and the EBS Group
- Reuters in its establishment of the FX MarketPlace, a JV with the Chicago Mercantile Exchange, to establish the first electronic trading platform with fully-integrated clearing for FX
- thinkorswim Group, Inc. in its cash/stock merger with TD Ameritrade

## Financial Institutions

- Capital One in its \$14.6 billion acquisition of North Fork Bancorporation and \$5 billion acquisition of Hibernia Corporation
- Bank of America in its approximately \$35 billion acquisition of MBNA Corporation, which at the time was the world's largest independent credit card issuer
- People's Bank in the approximately \$2.67 billion sale of its credit card business to The Royal Bank of Scotland Group

# Cleary FinTech Update

Our Cleary FinTech Update is published by Cleary Gottlieb’s Financial Technology practice group to provide updates and insights on the fast-moving world of FinTech legal, policy and business developments. The pace of innovation is sometimes breathtaking, and our multidisciplinary team spans the legal expertise essential to allow you to stay on top of the fascinating interaction of FinTech innovation and legal thinking. We offer insights from FinTech payments, virtual currency, blockchain, corporate finance, intellectual property, financial regulatory, comparative international, cybersecurity and privacy, disputes and litigation, and consumer protection among other critical legal perspectives with a focus on practical insights for the real (and virtual) world.

## SEC and CFTC Testimony on Virtual Currencies: Is More Regulation on the Horizon?

By Michael H. Krimminger, Colin D. Lloyd & Zachary Baum on February 14, 2018  
 POSTED IN [ICOs](#), [REGULATORY](#), [UNITED STATES](#)

On February 6, 2018, Chairman Clayton of the Securities and Exchange Commission (SEC) and Chairman Giancarlo of the Commodity Futures Trading Commission (CFTC) testified before the Senate Banking Committee regarding the role of virtual currencies. Consistent with the Commission’s stance on SEC regulation of Initial Coin Offerings (ICOs), Chairman Clayton testified that virtual currencies themselves, he and Giancarlo testified. In particular, despite acknowledging the risks associated with transactions in cryptocurrencies, the Commission has not taken any regulatory authority.

However, Chairman Clayton particularly noted that the exchanges provided adequate protection for payment services was sufficient. While it is clear that there would be support within the Commission, Clayton and Giancarlo committed to work with bank regulators and law enforcement agencies. When the Chairmen of the SEC and CFTC testified, whether increased federal regulation is

## Around the World in ICOs: A series examining regulatory responses to ICOs

By Sarah E. Lewis on December 14, 2017  
 POSTED IN [BLOCKCHAIN](#), [ICOs](#)

### Part I: The Basics

Everyone is talking about “ICOs” or “initial coin offerings.” You cannot open the *Wall Street Journal* or *Financial Times* without at least one story about ICOs. Prominent CEOs have taken to the bully pulpit to fulminate about ICOs and cryptocurrencies as a “bubble” and “fraud.” Parallels are drawn to 17<sup>th</sup> century financial regulators around the world are taking notice.

But why have ICOs elicited such attention? In this series, we examine this innovative way of raising funds, the regulatory responses in various jurisdictions, the factors motivating regulatory actions by regulators. [Continue Reading](#)

## World Economic Forum Publishes Recommendations for Managing Cyber-Risk

By Rishi N. Zutshi & April Collaku on March 9, 2018  
 POSTED IN [CYBERSECURITY](#)

On March 6, 2018, the World Economic Forum (WEF) published a white paper report analyzing challenges that financial services and fintech firms face in protecting customer information against the increasing risk of cyber-attacks and setting out proposals to better manage this cyber-risk.<sup>[1]</sup> As described below, the report recommends industry-wide efforts to adopt standardized cyber-risk metrics and to develop mechanisms for assessing cybersecurity. In conjunction with the publication of these recommendations, Citigroup Inc., Kabbage, Inc., Zurich Insurance Group AG and the Depository Trust & Clearing Corporation have formed a consortium to address cybersecurity risks in the fintech industry. <sup>[2]</sup> [Continue Reading](#)



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The Cleary FinTech Update provides updates and insights on the fast-moving world of Fintech legal, policy and business developments.

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