
Jonathan Galea Quoted in the *Financial Times* on the Rise of Crypto Vaults

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Cahill partner Jonathan Galea was quoted in the *Financial Times* on the rapid growth of crypto lending vaults and the regulatory attention they are receiving in the U.S. and Europe.

Vaults allow digital asset holders to earn returns by supplying assets to lending and staking strategies and, according to Blockworks, have attracted more than \$10 billion in assets supplied by users. The article raises concerns about the risks vaults pose to users, how well those risks are controlled and whether regulatory oversight has kept pace with the growth of vaults.

Discussing the regulatory treatment of vault curators, Jonathan noted that those “constantly on a day-to-day basis fine-tuning the parameters” of a vault’s strategy are “more likely” to be viewed similarly to traditional fund managers. A curator that sets a vault’s risk limits without running the vault day to day would be less likely to be viewed as a fund manager, so the regulatory treatment of a vault would appear to depend on how it is structured and operated.

The article also examines emerging regulatory approaches in the U.S. and Europe as policymakers consider how existing financial regulations may apply to decentralized finance activities.

[Read the full article, “Rise of Crypto Vaults Channels Billions of Dollars into Risky Lending,” in the *Financial Times*.](#)

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