

Securities Commission of The Bahamas

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## MEDIA RELEASE

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FOR IMMEDIATE RELEASE

### Securities Commission of The Bahamas Freezes Assets of FTX

*Nassau, The Bahamas, Thursday 10 November 2022* – Today, the Securities Commission of The Bahamas (the Commission) took action to freeze assets of FTX Digital Markets and related parties. The Commission also suspended the registration and applied to the Supreme Court of The Bahamas for the appointment of a provisional liquidator of FTX Digital Markets Ltd. (FDM).

Mr. Brian Simms, K.C. (Lennox Paton Counsel and Attorney-at Law) was appointed as provisional liquidator. Additionally, the powers of the directors of FDM have been suspended and no assets of FDM, client assets or trust assets held by FDM, can be transferred, assigned or otherwise dealt with, without the written approval of the provisional liquidator.

The Commission is aware of public statements suggesting that clients' assets were mishandled, mismanaged and/or transferred to Alameda Research. Based on the Commission's information, any such actions would have been contrary to normal governance, without client consent and potentially unlawful.

Since the unfolding of events involving FDM, the Commission has proactively dealt with the situation and continues to do so. The Commission determined that the prudent course of action was to put FDM into provisional liquidation to preserve assets and stabilize the company.

The Commission is committed to working with the provisional liquidator to endeavour to obtain the best possible outcome for the customers and other stakeholders of FTX.

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#### Editor's Information:

- 1. The Securities Commission of The Bahamas (the Commission) is a statutory body established in 1995 pursuant to the Securities Board Act, 1995. That Act has since been repealed and replaced by new legislation.**
- 2. The Commission's mandate is defined in the Securities Industry Act, 2011 (SIA, 2011).**
- 3. The Commission is responsible for the administration of the SIA, 2011 and the Investment Funds Act, 2019 (IFA), which provides for the supervision and regulation of the activities of the investment funds, securities and capital markets.**
- 4. The Commission is responsible for the administration of the Financial and Corporate Service Providers Act, 2020.**

**5. The Commission is responsible for the administration of the Digital Assets and Registered Exchanges Act, 2020.**

**6. The Commission is responsible for the administration of the Carbon Credit Trading Act, 2022.**

**7. The functions of the Commission are to:**

- **advise the Minister on all matters relating to the capital markets and its participants;**
- **maintain surveillance over the capital markets and ensure orderly, fair and equitable dealings in securities;**
- **foster timely, accurate, fair and efficient disclosure of information to the investing public and the capital markets;**
- **protect the integrity of the capital markets against any abuses arising from financial crime, market misconduct and other unfair and improper practices;**
- **promote an understanding by the public of the capital markets and its participants and the benefits, risks, and liabilities associated with investing;**
- **create and promote conditions that facilitate the orderly development of the capital markets; and**
- **perform any other function conferred or imposed on it by securities laws or Parliament (SIA, 2011, s.12).**