

Securities Commission of The Bahamas

Poinciana House
North Building, 2nd Floor
31A East Bay Street
P.O. Box N-8347
Nassau, The Bahamas

MEDIA RELEASE

Contact: Executive Director
Christina Rolle
242-397-4100

FOR IMMEDIATE RELEASE

Securities Commission Update on FTX

Nassau, The Bahamas, Monday 14 November 2022 – On 10 November 2022, the Securities Commission of The Bahamas (“the Commission”) applied to the Supreme Court to appoint Mr. Brian Simms, KC as a court supervised provisional liquidator. Further, on 14 November 2022, Messrs. Kevin Cambridge and Peter Greaves of PricewaterhouseCoopers (“PwC”) were approved by the Court as joint provisional liquidators.

Given the magnitude, urgency, and international implications of the unfolding events with regard to FTX, the Commission recognized that it had to, and moved swiftly to use its regulatory powers under the Digital Assets and Registered Exchanges Act, 2020 (“DARE Act”) to further protect the interests of clients, creditors, and other stakeholders globally of FTX Digital Markets Ltd. (FDM).

Over the coming days and weeks, the Commission expects to engage with other supervisory authorities on a regulator-to-regulator basis as this event is multijurisdictional in nature.

The Commission is the lead authority in The Bahamas conducting the investigations into the events and parties, including, but not limited to, FTX Digital Markets Ltd. (a regulated entity), FTX Trading Ltd., Alameda Research Ltd. and other related entities whose centre of main interest, direction and management were purportedly located in The Bahamas. The investigations into these events are on-going, and the Commission will extend its full assistance to the police if and when required.

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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 That Act has since been repealed and replaced by new legislation.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).**