

Securities Commission of The Bahamas

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MEDIA RELEASE

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FOR IMMEDIATE RELEASE

Securities Commission of The Bahamas Assumes Control of Assets of FTX Digital Markets Ltd.

Nassau, The Bahamas, Thursday 17 November 2022 - On 12 November 2022, the Securities Commission of The Bahamas (“the Commission”), in the exercise of its powers as regulator acting under the authority of an Order made by the Supreme Court of The Bahamas, took the action of directing the transfer of all digital assets of FTX Digital Markets Ltd. (“FDM”) to a digital wallet controlled by the Commission, for safekeeping. Urgent interim regulatory action was necessary to protect the interests of clients and creditors of FDM.

Under the Digital Assets and Registered Exchanges Act, 2020 (“DARE Act”), the Commission has the authority to apply for a judicial order to protect the interests of clients or customers of a registrant of the Commission under the DARE Act.

It is not the understanding of the Commission that FDM is a party to the US Chapter 11 Bankruptcy proceedings.

Over the coming days and weeks, the Commission will engage with other regulators and authorities, in multiple jurisdictions, to address matters affecting the creditors, clients and stakeholders of FDM globally to obtain the best possible outcome.

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 That Act has since been repealed and replaced by new legislation.**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