

Haydar Tuncer

From: s 22
Sent: Wednesday, 16 November 2022 11:12 AM
To: s 22
Cc: s 22
Subject: RE: ASIC's Suspension on FTX [SEC=OFFICIAL]

Hi s 22

I think no comment on questions 1 and 2. (*Question 1 could be referred to the Administrators*).

On question 3, suspending the licence until 15 May 2023 will allow time for the Administrators to consider FTX Australia Pty Ltd's future. If by the end of the suspension period, FTX Australia Pty Ltd is in a position to recommence its financial services business, consideration will be given to cancelling the suspension of the Licence. If not, it may be appropriate at that time to extend the suspension period, or, to cancel the Licence.

On question 4, I would defer to s 22 whether there are any other consumer messages about protecting their crypto investments. From my perspective, I think we should repeat the key message that crypto is largely unregulated and that investors should act cautiously. We don't want to create an expectation that ASIC regulates crypto, will protect them from failures of crypto firms or theft of crypto assets or that ASIC can provide guidance on 'safely navigating offshore digital asset platforms' (which I'm not sure can be done).

Kind regards

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s 22

Group Senior Manager (Market Conduct), Market Supervision

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s 22@asic.gov.au**ASIC**

From: s 22 <s 22@asic.gov.au>

Sent: Wednesday, 16 November 2022 10:31 AM

To: s 22 <s 22@asic.gov.au>; s 22 <s 22@asic.gov.au>; s 22 <s 22@asic.gov.au>

Cc: s 22 <s 22@asic.gov.au>; s 22 <s 22@asic.gov.au>

Subject: FW: ASIC's Suspension on FTX [SEC=OFFICIAL]

Hi s 22 s 22 s 22

We've received a query from Cointelegraph about our suspension of FTX Australia's licence. Are we able to provide any answers to these questions? I understand we'll want to tread lightly, but Cointelegraph is widely read so it would be good to provide something if possible.

From my perspective, the last question in particular raises an interesting issue. Our crypto-messaging is just that crypto is volatile and largely unregulated, therefore investors should act cautiously, but this doesn't address those investors who have crypto assets and want practical advice on how protect them. Given crypto is largely unregulated, where would

investors go to get this sort of advice, noting that it would be odd to send them to financial advisers considering that crypto assets aren't usually understood to be financial products under current law?

Kind regards

s 22

From: Brayden Lindrea <brayden.lindrea@cointelegraph.com>

Sent: Wednesday, 16 November 2022 9:59 AM

To: Media Unit <Media.Unit@asic.gov.au>

Subject: ASIC's Suspension on FTX

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To whom it may concern,

I'm Brayden from Cointelegraph - one of the largest publications in the cryptocurrency space.

We've recently come across the news of ASIC revoking FTX's license to operate within Australia (with some exceptions), and are interested in learning more.

If you're able and willing to answer any or all of the following questions, that would be greatly appreciated:

1. Do you have any figures on how many (and which) Australian-based companies had a substantial exposure to FTX?
2. Has (or will) this had/ have an impact will this have on Australian-based exchanges?
3. What was the reasoning behind only temporarily suspending its license until May 2023?
4. How do you suggest Australian-based investors and traders more safely navigate offshore digital asset platforms, and is there anything that ASIC is planning on implementing to protect Australians from a recurrence of this type of event?

Any other comments or insights would be appreciated.

Thanks,

Brayden Lindrea
Cointelegraph