Press Release

The Collapse of FTX

PAULINA ENCK | NOVEMBER 16, 2022

On November 11, key cryptocurrency exchange FTX filed for bankruptcy, wiping billions of dollars of value from FTX, its billionaire founder Sam Bankman-Fried, and broader crypto markets. In a new insight, Director of Financial Services Policy Thomas Wade walks through what happened, who's at fault, and what happens next.

Key points:

- *Concerns about improper use of client funds led to a run on FTX deposits, creating an estimated $8 billion liquidity shortfall.*
- *Lawmakers and regulators are left to deal with the fallout after the collapse of a firm and individual that had been a key presence in Washington policy debates about crypto and broader questions as to the regulation and supervision of this growing market.*
- *The fallout from FTX's bankruptcy will, nevertheless, mostly be felt within the industry itself and have limited spillover.*

Read the analysis