



## Major crypto mogul Sam Bankman-Fried arrested

Staff Writer **Businesstech**

Sam Bankman-Fried, the disgraced co-founder of digital-asset exchange FTX, was arrested in the Bahamas after the US government filed a criminal indictment, following weeks of speculation that client funds were misused before his empire's collapse. Bankman-Fried is being held in custody pending an extradition process, the island nation's attorney general, Ryan Pinder, said in a statement.

Bankman-Fried has been facing investigations into a range of possible misconduct in the US and the Bahamas, where FTX was headquartered. One key inquiry has been whether customer funds were lent out to trading firm Alameda Research, which Bankman-Fried also founded. More than 100 FTX-related entities filed for US bankruptcy protection on Nov. 11.

In media interviews since FTX's collapse, Bankman-Fried has admitted prior to the arrest and long before his empire collapsed into bankruptcy, federal prosecutors in Manhattan had already been looking into FTX as part of a broader sweep of exchanges and potential anti-money laundering violations under the Bank Secrecy Act.

The investigation, led by the Complex Frauds and Cybercrime Unit, took a different trajectory after FTX's catastrophic implosion.

Prosecutors were closely examining whether hundreds of millions of dollars were improperly transferred to the Bahamas around the time of FTX's Nov. 11 bankruptcy filing in Delaware, according to a person familiar with the matter.

Bankman-Fried admitted major managerial missteps, but has also claimed that he never tried to commit fraud or break the law. He added that the company's new managers, led by restructuring expert John J. Ray III, have repeatedly rebuffed his offers to help sift through the wreckage of the collapsed crypto empire. Ray, who's now leading the company, hasn't responded to five of his emails, he said.

They were also digging into whether FTX broke the law by transferring funds to Alameda Research, the bankrupt investment firm also founded by Bankman-Fried, Bloomberg reported previously.

## This and That

**Fuel price drop:** South Africans will be treated to a substantial reduction in petrol and diesel prices from today. Petrol prices will decrease by R2.06 per litre, while diesel will drop between R2.81 and R2.69 per litre from 50ppm and 500ppm, respectively. A litre of 95 unleaded petrol will cost R20.75 on the coast and R21.40 inland. Department of Mineral Resources and Energy (DMRE) says that the main reason for the drop in fuel prices is the declining cost of Brent Crude Oil. With fears of global recession, the oil price will continue to drop.

**Cape Town beaches closed:** Three beaches across Cape Town have been closed due to sewage spills – Fish Hoek Beach, Strand Beach and Small Bay in Blaauwberg. City of Cape Town's Alex Lansdowne said that the city's sewerage reticulation infrastructure was under immense strain due to higher stages of load shedding, resulting in pump station failures and the breaking of sewerage reticulation pipelines. Lansdowne said that the City would continue with daily water tests.

**BEIJING, Jan 4 (Reuters) -** China's state media rallied citizens on Wednesday for a "final victory" over COVID-19 as health officials abroad tried to work out the scale of its raging outbreak and how to stop it spreading. Beijing's abrupt axing of "zero COVID" curbs last month has unleashed the virus on China's 1.4 billion people who have little immunity after being shielded since the virus emerged in the Chinese city of Wuhan three years ago.

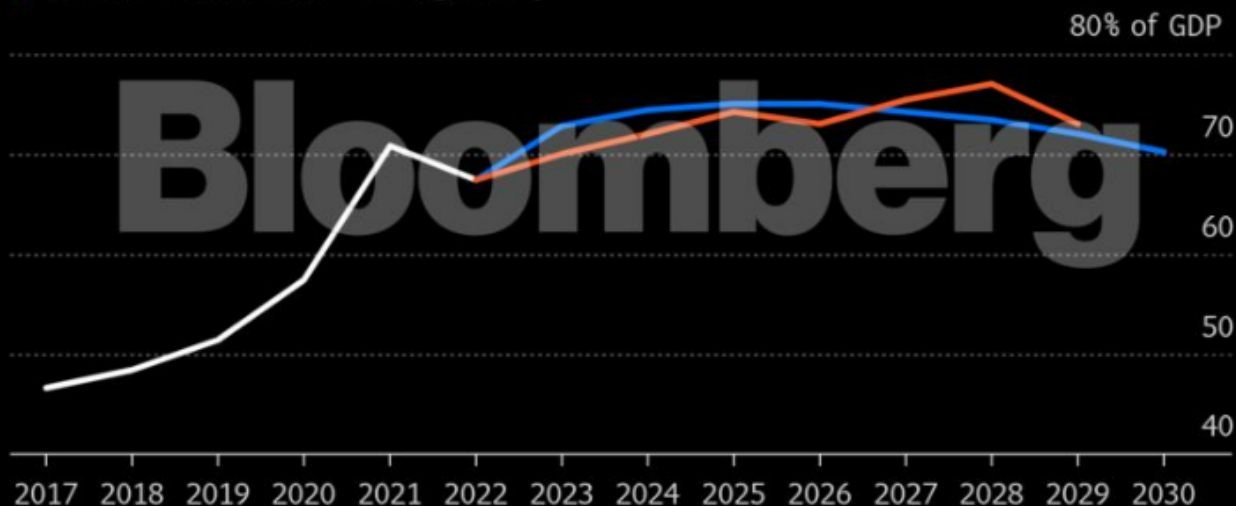
Canada has introduced a new law banning foreigners from buying residential property until 2025 – however, this will not apply to South Africans migrating to the North American nation. The ban on foreigners buying residential property comes after a spike in Canadian home prices since the start of the Covid-19 pandemic.

Canadian politicians, including Prime Minister Justin Trudeau, blamed foreign investors for buying large amounts of properties as investments – damaging supply.

## South Africa Debt-to-GDP Is Seen Declining at a Faster Pace

Improvement may be eroded by growing spending pressures in outer years

/ Gross government debt 
 / National Treasury estimate in February 
 / Median estimate in Bloomberg survey



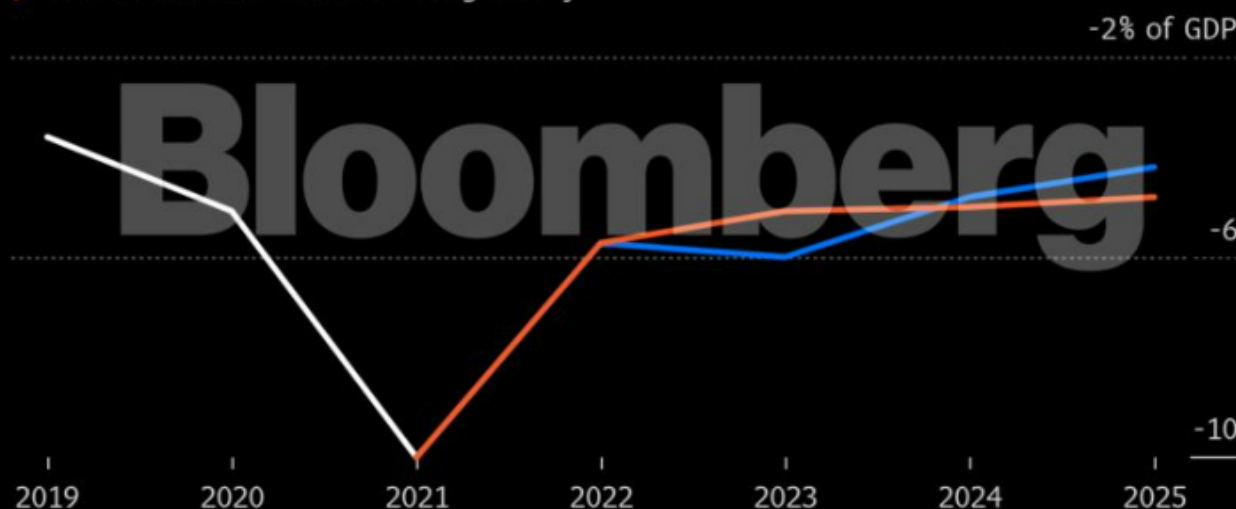
Source: National Treasury, Reserve Bank, Bloomberg  
Note: Chart shows data for fiscal years ending March 31

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## South Africa Budget Gap Is Set to Narrow on Higher Tax Collections

Revenue is on course to exceed estimates

/ Consolidated budget balance 
 / National Treasury estimates in February 
 / Median estimate in a Bloomberg survey



Source: National Treasury, Bloomberg  
Note: Chart shows data for fiscal year ending March 31

**Bloomberg**