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DPSRMUN



ECOFIN

Reanalysing The International Response To
Deregulated Financial Instruments In The
Wake Of The FTX Scandal..



Letter from Executive Board

Dear Delegates,

On behalf of Muniversiti and Delhi Public School, Rau, it gives us great pleasure to welcome you to the DPSRMUN 2023 Conference. We are thrilled to be a part of this esteemed event, which provides a platform for young, dynamic minds to engage in intellectual discourse and learn more about global politics.

For many of you, this may be your first MUN conference, and we urge you to review the study guide provided as a part of the conference. We believe that understanding the issues at hand is crucial to finding solutions that are practical and implementable.

However, we also believe that there is so much more to learn beyond the study guide. The ability to research, collaborate, and present your arguments is just the beginning. The real value of this conference lies in your ability to listen, understand different viewpoints, and learn from one another.

We encourage you to approach this conference with a growth mindset. Winning is not the ultimate goal, but rather an opportunity to learn, grow, and broaden your perspectives. At Muniversiti, we strongly believe that learning is the ultimate victory, one that brings personal and collective progress and positive change.

We are confident that this conference will be a great learning experience for all of you. We look forward to having you with us, and we wish you all the best for an exciting and enlightening journey ahead.

Best wishes,
The Muniversiti Executive Board

About The Second Committee:-

The Second Committee of the United Nations General Assembly is an important platform for addressing a wide range of economic, social, and environmental concerns that affect the world. The Committee's remit includes macroeconomic policy, poverty alleviation, development financing, energy, and climate change, among other crucial areas. The Committee is tasked with formulating the United Nations' response to some of the most pressing issues that the world faces today.



United Nations

The Second Committee meets annually to deliberate and make recommendations on the various topics under its purview. During these meetings, the Committee is represented by 193 UN Member States, each of which is represented by a delegate. In addition to official meetings, the Committee also holds informal gatherings, such as roundtable discussions, briefings from subject matter experts, and regional consultations. These events are aimed at ensuring that the Committee can address its goals in the most effective and comprehensive manner possible.

One of the Committee's most important responsibilities is to shape the United Nations' response to economic, social, and environmental crises. The suggestions made by the Committee are taken into account by the General Assembly when formulating its plans to advance sustainable development and alleviate poverty. Some of the most significant resolutions adopted by the Committee in recent years include Resolution A/72/L.63 on "Macroeconomic Policy Questions," Resolution A/72/L.64 on "Financing for Development," and Resolution A/72/L.65 on "Energy."

The Second Committee's work is vital in shaping the United Nations' response to some of the world's most pressing issues. The Committee's annual meetings and other gatherings are crucial for ensuring that the world remains focused on the most important economic, social, and environmental challenges that we face today. The Committee's role in formulating the United Nations' response to these issues makes it a key player in shaping a better and more sustainable future for all

Brief to the Agenda:-

The FTX Scandal refers to the recent financial crisis that has been linked to the rise of deregulated financial instruments. The Alameda research and its subsidiary bodies has been the center of attention as the scandal is believed to have originated from the practices of some of its traders who were using these instruments in unethical ways. The scandal has led to a significant decrease in confidence in the financial sector and has resulted in a wave of regulation aimed at curbing the use of these instruments.



The international response to the FTX Scandal has been diverse, with some countries embracing regulation as a means of restoring confidence in the financial sector, while others have taken a more cautious approach. One of the key countries that have embraced regulation is the European Union, where the European Securities and Markets Authority (ESMA) has been at the forefront of efforts to regulate the use of financial instruments. The ESMA has issued a number of directives aimed at limiting the use of these instruments and ensuring that financial institutions are not engaging in practices that could harm the public.

The United States has also been an active participant in the international response to the FTX Scandal, with the Securities and Exchange Commission (SEC) leading efforts to regulate the financial sector. The SEC has been instrumental in enforcing stricter regulations and has been working with the Federal Reserve to ensure that financial institutions are not engaging in unethical practices. The SEC has also been working with international partners to develop a common regulatory framework to govern the use of financial instruments.

In addition to the EU and the US, other countries such as the United Kingdom, Japan, and Australia have also been at the forefront of efforts to regulate the financial sector. These countries have been working together to develop a coordinated approach to regulation, with the aim of restoring confidence in the financial sector and ensuring that financial institutions are not engaging in practices that could harm the public.

Despite the efforts of these countries, there are still some challenges to the international response to the FTX Scandal. One of the key challenges is that there is a lack of international agreement on the best way to regulate financial instruments. This has led to a patchwork of regulations in different countries, making it difficult for financial institutions to comply with all of the regulations in different countries.

Another challenge is that some countries are still wary of regulation, as they fear that it will stifle innovation and reduce the competitiveness of their financial institutions. These countries are particularly concerned that regulation will limit the growth of their financial services industry, and they are seeking to balance the need for regulation with the need to promote innovation.

Despite these challenges, the international response to the FTX Scandal has been successful in many ways. The increased regulation has helped to restore confidence in the financial sector and has prevented the rise of unethical practices. The coordinated approach of countries to regulation has also been effective in reducing the risk of a global financial crisis, as countries are able to share information and work together to ensure that their regulations are consistent.

What is Crypto-currency?

Cryptocurrency is a digital currency that operates through a decentralized system, relying on a computer network rather than a central authority to verify transactions and maintain the currency. Transactions are recorded in a digital ledger secured by cryptography, which adds an additional layer of security.

Despite being considered a distinct asset class rather than a traditional currency, cryptocurrency has gained widespread attention and adoption since the release of the first decentralized cryptocurrency, Bitcoin, in 2009. As of March 2022, there were over 9,000 cryptocurrencies in the market with over 70 having a market capitalization over \$1 billion.

The concept of cryptocurrency was first introduced in 1983 by David Chaum, with the implementation of the first electronic cash system, Digicash, in 1995. However, it was not until the release of Bitcoin that cryptocurrency began to gain mainstream acceptance.

While cryptocurrency offers potential benefits such as increased privacy and reduced transaction costs, the ecosystem has faced criticism for the lack of user experience and investor protection. Incidents of fraud and theft have led some to question the safety and viability of cryptocurrency as an investment vehicle.

Despite these concerns, efforts are being made to address them and improve the user experience. For example, Ethereum recently transitioned to a proof-of-stake consensus mechanism in September 2022 to make the network more energy-efficient and scalable.

As the market continues to evolve, it remains to be seen how cryptocurrency will impact the wider financial system. Will it replace traditional currencies entirely or coexist alongside them as a distinct asset class? The future is uncertain, but it is clear that cryptocurrency represents a significant shift in the way we think about money and transactions, and its impact will be felt for years to come.

How does cryptocurrency work?

Cryptocurrencies are digital or virtual currencies that use cryptography to secure and verify transactions and to control the creation of new units. Unlike traditional currencies, which are issued and regulated by governments, cryptocurrencies are decentralized and operate on a peer-to-peer network. This means that they are not controlled by a central authority, such as a bank or government.



The most well-known cryptocurrency is Bitcoin, which was created in 2009 by an unknown individual or group of individuals using the pseudonym Satoshi Nakamoto. Bitcoin works by using a public ledger called the blockchain, which is essentially a distributed database that records all Bitcoin transactions.

When someone wants to send Bitcoin to another person, they broadcast a transaction to the Bitcoin network. This transaction contains information about the sender, the recipient, and the amount of Bitcoin being sent. The transaction is then verified by a network of computers, which use complex mathematical algorithms to confirm that the sender has the necessary funds and that the transaction is legitimate. Once the transaction is confirmed, it is added to the blockchain.

The blockchain is maintained by a network of computers, which are called nodes. These nodes are connected to each other and constantly communicate to ensure that the blockchain is accurate and up-to-date. Each node has a copy of the blockchain, which means that there is no central authority that can manipulate the system.

The process of verifying transactions and adding them to the blockchain is called

mining. Mining involves solving complex mathematical problems using specialized computer hardware. When a miner solves a problem, they are rewarded with a certain amount of Bitcoin. This is how new Bitcoin is created.

Cryptocurrencies have several key advantages over traditional currencies. They are fast, cheap, and secure. Transactions can be processed in a matter of minutes, and fees are typically much lower than those charged by traditional financial institutions. Because cryptocurrencies are decentralized, they are also resistant to censorship and government interference.

However, cryptocurrencies also have several disadvantages. They can be volatile, with prices fluctuating rapidly in response to market demand. They are also not widely accepted as a means of payment, which means that they are primarily used for speculative purposes. Finally, because cryptocurrencies are not regulated, they can be used for illegal activities, such as money laundering and terrorism financing.

What is FTX?

FTX is a relatively new cryptocurrency exchange platform that has quickly become one of the fastest-growing in the world. Founded in 2019, FTX offers a wide range of cryptocurrency-related products and services, including spot trading, futures trading, and over-the-counter (OTC) trading. FTX has gained a reputation for its innovative approach to cryptocurrency trading, including the use of leveraged futures contracts that allow traders to take positions on cryptocurrency price movements with a relatively small amount of capital.

Unlike traditional financial institutions, FTX operates as a decentralized platform, allowing users to trade cryptocurrencies without the need for intermediaries. This approach provides a high degree of transparency and security, as all transactions are recorded on the blockchain and can be easily audited. This decentralized model is a fundamental aspect of the cryptocurrency ecosystem, providing a more democratic and decentralized alternative to traditional financial systems.

One of FTX's most distinctive features is its user-friendly interface and advanced trading tools, which make it a popular choice for both novice and experienced traders. The platform is designed to be accessible to users of all skill levels, with a range

of educational resources and tools available to help traders learn the ins and outs of cryptocurrency trading.



FTX has also made headlines for its commitment to innovation and development. For example, the platform recently introduced a decentralized autonomous organization (DAO) to govern its operations, giving users a greater say in the platform's development and direction. This move is in line with the broader trend of decentralization in the cryptocurrency space, which seeks to reduce reliance on centralized institutions and empower individual users.

Despite its many advantages, FTX, like other cryptocurrency exchanges, faces a range of challenges and risks. One of the most significant risks is the potential for hacks and cyberattacks, which can result in significant losses for users. In recent years, there have been several high-profile hacks of cryptocurrency exchanges, underscoring the importance of security measures and risk management strategies.

Another challenge for FTX and other cryptocurrency exchanges is regulatory uncertainty. The regulatory landscape for cryptocurrencies and cryptocurrency exchanges is complex and constantly evolving, with different jurisdictions taking different approaches to regulation. This can create uncertainty for users and exchanges alike, as they navigate a shifting legal and regulatory environment.

The controversy

FTX was one of the most prominent players in the cryptocurrency space, and was considered a behemoth in the industry. With its meteoric rise, the company quickly gained a lot of attention and investment, with a valuation of \$32 billion at its peak. However, all of this came crashing down in November 2021, when FTX filed for bankruptcy, leaving many investors and stakeholders stunned.

FTX was founded in 2019 by Sam Bankman-Fried, often referred to as SBF, who was the mastermind behind the company's rapid growth and success. SBF, a 30-year-old former mathematician and quant trader, co-founded the crypto hedge fund Alameda Research in 2017, which laid the foundation for the creation of FTX. The exchange grew fast with high-profile acquisitions, a hefty marketing budget, and promises of high returns, which quickly made it one of the most popular exchanges in the crypto space.

SBF's personal wealth was estimated to be \$26.5 billion at the peak of his wealth, and he became a celebrity in the crypto world, becoming the poster boy for the crypto revolution. He hired prominent celebrities such as Tom Brady, Stephen Curry, Shaquille O'Neal, and Larry David to endorse FTX, which further enhanced the company's image and popularity. FTX was so well-established that it even purchased the rights to rename the Miami Heat Arena to "FTX Arena."

However, the company's fortunes took a turn for the worse in November 2021, when a concerning article was published by Coindesk about FTX and Alameda Research. The article raised concerns about Alameda Research's main asset, the FTT token, which was used as collateral on the balance sheet. This was a concern because the assets were tied to a volatile and risky token, which led to worries about the capital of FTX and Alameda.

The situation was exacerbated when Binance, a rival exchange, announced that it would sell around \$530 million worth of FTT, following the Coindesk report. This caused the price of FTT tokens to drop dramatically, leading to a panic among investors who rushed to take their money out of FTX. This resulted in a liquidity crunch for FTX, as it could not process the withdrawal requests, which reached an estimated \$6 billion in 72 hours.

In an effort to resolve the situation, Binance announced that it had reached a non-binding agreement to purchase FTX, but the deal fell through after due diligence revealed news of mishandling customer funds and an alleged U.S. agency investigation. This led to even more panic and chaos among investors and stakeholders, who were trying to figure out what was happening.

The inevitable happened on November 11, when FTX filed for bankruptcy, sending shockwaves across the entire cryptocurrency space. The bankruptcy of FTX had far-reaching consequences, with BlockFi, which had been bailed out by SBF's \$400 million lifeline, suspending customer withdrawals. The fallout from FTX's bankruptcy has also affected other crypto exchanges and companies, including BitMEX and Bitfinex, which are now under investigation by regulators and authorities.

The collapse of FTX has raised serious concerns about the stability and security of the crypto space, and the lack of regulations and protections for investors. It has also brought to light the importance of due diligence and risk management when investing in cryptocurrencies, and the need for a more robust and transparent system that can ensure the safety and security of investors' funds.

The Plustoken Spam-

The PlusToken Ponzi scheme collected digital assets from people promising high-yield returns from 2018 to 2019. The scheme attracted people through the illusion of investing in a sustainable business, bonuses for referrals, conference, and meetup presence. However, on June 30, 2019, interest payments stopped and the scheme disappeared with a \$3 billion profit. Six Chinese nationals were arrested for their involvement in the scheme, with one ringleader being prosecuted in May 2020. According to Chainalysis, 180,000 BTC, 6,400,000 ETH, 111,000 USDT, and 53 OMG were tracked from victims to PlusToken wallets, with 26,000,000 EOS and 485,000,000 XRP also being sent. Money continued to move from PlusToken holdings to exchanges and over-the-counter services even after the arrest of six members. One year later, 285,000,000 XRP holdings of PlusToken appear to be moving again. This XRP was added to a shuffle-pool, which is a network of wallets that makes it difficult to trace the funds. The pool appears to be used by the PlusToken scammers and consists of close to 7,500 accounts. Since the PlusToken exit, 60,000,000 XRP has gone to exchanges or over-the-counter services, mainly OKEx



and Huobi. Recently, close to 300,000,000 XRP has been withdrawn from the shuffle-pool, mainly to HBTC. However, it remains unclear how such a big increase in payments was possible without being stopped. According to HBTC, the law enforcement agency is selling the funds involved. However, this statement has not been verified by law enforcement.

Tether Stablecoin Controversy

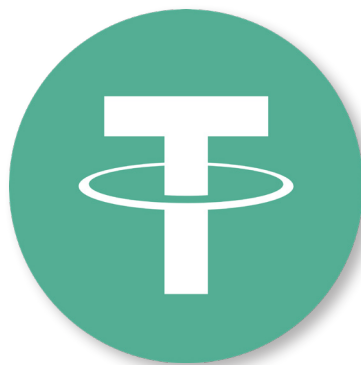
Tether, a stablecoin pegged to the US dollar, faced controversy and questions about its financial backing. The company had issued 48 billion Tethers valued at \$1 each, leading to concerns about whether they had the adequate financial backing to support the issuance. Despite reports from the company and audits, the question remained unanswered.

In 2021, Tether had a circulation worth \$69 billion, comparable to some of the largest banks in the world. However, unlike banks, Tether did not have investor safeguards in place for a potential default. If Tether were to collapse, it could have resulted in a global financial meltdown of nearly \$2.3 trillion.

The last independent auditor report filed for Tether on June 30 stated that the company's assets exceeded liabilities and the reserves held for its digital assets issued exceeded the amount required to redeem the tokens. However, there was no backing to the company's claims of a \$30-billion investment in commercial paper and being registered with the British Virgin Island Financial Regulator.

A Bloomberg report confirmed a partnership with a Bahamas-based bank, but there was only a minimal paper trail leading to the bank, with an investment of \$15 billion in cash and low-risk bonds accounting for less than 25 percent of Tether's cumulative

reserve of \$69 billion. Tether also faced allegations of major investments in Chinese entities and issuing crypto-backed loans worth millions of dollars, but the company denied these claims.



This year, the US justice department initiated an investigation into Tether and its CEO, Giancarlo Devasini, to find out if the nature of transactions was concealed and if the banking partners were aware of the cryptocurrency tie-up of some transactions. The firm, along with iFinex, reached an \$18.5 million settlement with the New York Attorney General over claims that the company did not have reserves to back the stablecoins and had manipulated funds to cover losses.

FTX has faced criticism from regulators and lawmakers around the world, who have expressed concerns over the lack of regulation and oversight of cryptocurrency exchanges. In response to these concerns, many countries have introduced regulations aimed at cracking down on cryptocurrency exchanges and other digital financial services providers. Some countries have gone so far as to ban cryptocurrency trading altogether, citing concerns over money laundering, fraud, and other illicit activities.

FTX has responded to these controversies by making a number of changes to its platform and business practices. For example, the company has introduced a series of anti-money laundering measures aimed at preventing the platform from being used for illegal activities. FTX has also improved its transparency and security measures, including the introduction of regular audits and security checks, in order to increase the confidence of users and regulators.

Despite these efforts, FTX remains a controversial platform, and it is likely that the controversies surrounding the company will continue.

Recent Advances

FTX, a prominent cryptocurrency exchange, filed for bankruptcy in November 2022 after a report by CoinDesk raised concerns about the company's leverage and solvency. This report highlighted the potential problems with FTX's affiliate trading firm, Alameda Research. The news sent shockwaves through the cryptocurrency market and led to billions of dollars in losses, with the valuation of the cryptocurrency dropping below \$1 trillion.



Despite interest from rival exchange Binance, no bailout funds were secured for FTX. The CEO of the company resigned, and FTX faced a potential hack in which hundreds of millions in tokens were stolen. This caused further harm to the reputation of the company and further eroded investor confidence.

In January 2023, the founder of FTX, Sam Bankman, was arrested in the Bahamas and extradited to the US to face criminal charges. He pleaded innocent to the charges against him. The ongoing legal proceedings surrounding FTX and its founder continue to cast a shadow over the cryptocurrency market.

Many experts have expressed their concern about the stability of the cryptocurrency market following the FTX bankruptcy. They argue that the industry needs stronger regulations to prevent similar incidents from happening in the future. The FTX bankruptcy is a cautionary tale for the cryptocurrency market, highlighting the importance of investor due diligence and the need for robust regulations.

Samuel Bankman, the CEO and co-founder of FTX Trading Ltd, was charged by

the Securities and Exchange Commission (SEC) in December 2022 for defrauding investors in the crypto trading platform. According to the SEC's complaint, Bankman had misled customers into believing that FTX was a safe platform with advanced risk management measures, while at the same time diverting their funds to his own hedge fund, Alameda Research, and providing it with preferential treatment on the FTX platform.



The complaint further alleged that Bankman had used the commingled funds for personal ventures, including real estate purchases and political donations, thereby violating the trust of FTX's customers. In response, the SEC sought a series of measures, including injunctions, disgorgement of his gains, a civil penalty, and a bar on his ability to serve as an officer or director in any future ventures.

In addition to the SEC's charges, the U.S. Attorney's Office and the Commodity Futures Trading Commission also brought charges against Bankman for his alleged misdeeds. This series of charges against Bankman highlights the importance of proper risk management and transparency in the crypto trading sector, and serves as a warning to those who might seek to exploit their customers for personal gain.

The charges against Bankman have sent shockwaves through the crypto community, as many investors have lost faith in the platform and its leadership. The future of FTX remains uncertain, as the outcome of these charges will play a significant role in determining the platform's viability and reputation moving forward.

This news serves as a reminder of the importance of proper risk management and transparency in the crypto trading sector, and of the consequences that can result from misusing customer funds. The charges against

The World's Response to the Scandal

Cryptocurrency exchanges have been the subject of controversy and scrutiny in recent years, with concerns ranging from market manipulation to consumer protection. As a result, different countries have responded to these issues in a variety of ways, with some embracing cryptocurrency exchanges and others taking a more cautious approach.



Malta is one country that has embraced cryptocurrency exchanges and has established a supportive regulatory environment for digital financial services providers. The Maltese government has introduced a number of measures aimed at supporting the growth of the cryptocurrency industry, including tax incentives and a more streamlined regulatory process. As a result, Malta has become a hub for cryptocurrency exchanges, including FTX.

Malta's approach to cryptocurrency regulation has been viewed by some as a model for other countries to follow. The country's regulatory framework provides clarity and certainty for businesses operating in the cryptocurrency industry, while also providing a level of consumer protection. However, some have criticized Malta's regulatory approach as being too permissive, with concerns being raised about the potential for market manipulation and fraud.

China, on the other hand, has taken a more cautious approach to cryptocurrency exchanges and has introduced regulations aimed at cracking down on these platforms. China has banned cryptocurrency trading and initial coin offerings (ICOs), and has also taken steps to block access to cryptocurrency exchanges from within the country. This has had a significant impact on the global cryptocurrency market, as China is one of the largest markets for digital assets.

The Chinese government's approach to cryptocurrency regulation has been criticized by some as being overly restrictive and stifling innovation. However, others argue that China's regulatory approach is necessary in order to protect consumers and prevent financial instability.

In the United States, regulators have taken a more measured approach to cryptocurrency exchanges, and have introduced a series of measures aimed at balancing innovation with consumer protection. The U.S. has established a framework for cryptocurrency exchanges that requires these platforms to comply with anti-money laundering and know-your-customer (KYC) regulations, as well as other security and transparency measures.

The U.S. regulatory approach to cryptocurrency has been viewed by some as striking a good balance between innovation and consumer protection. However, others argue that the regulatory framework in the U.S. is too burdensome and restrictive, and that it hinders innovation in the cryptocurrency industry.

The impact of these different regulatory approaches on the global and national economic systems has been significant. In countries where cryptocurrency exchanges are embraced, these platforms have become key drivers of innovation and growth, and have helped to spur the development of new digital financial services and products. For example, Malta's supportive regulatory environment has attracted a number of cryptocurrency exchanges, which have in turn created jobs and contributed to economic growth.

In countries where cryptocurrency exchanges are regulated more strictly, these platforms have faced challenges and limitations, and have had a more limited impact on the local economy. For example, in China, the ban on cryptocurrency trading and ICOs has limited the growth of the cryptocurrency industry in the country, which has in turn limited the economic benefits that this industry could bring.

The regulatory approach to cryptocurrency exchanges is an important issue that has far-reaching implications for the global and national economic systems. While some countries have embraced cryptocurrency exchanges and provided a supportive regulatory environment, others have taken a more cautious approach, with varying degrees of success.

As the cryptocurrency industry continues to grow and evolve, it is likely that the regulatory landscape will continue to evolve as well. Finding the right balance between innovation and consumer protection will be key to ensuring the long-term viability and success of the cryptocurrency industry, and the impact of different regulatory approaches on this industry will continue to be an important issue to monitor.

Global Impact:-

The impact of regulatory norms on cryptocurrency exchanges, such as FTX, has been a topic of much discussion in recent years. As the use of cryptocurrencies and digital assets continues to grow, regulators around the world have been grappling with the best approach to managing these new financial products and services. The global impact of regulatory norms on cryptocurrency exchanges varies greatly from country to country, and this variability has had a significant impact on the local and global economy.



In some countries, such as Japan and South Korea, the regulatory environment has been supportive of cryptocurrency exchanges and has helped to spur growth and innovation in the sector. In Japan, the introduction of regulations in 2017 has led to a significant increase in the number of cryptocurrency exchanges, making the country a hub for digital asset trading. This supportive environment has encouraged innovation and investment in the sector, leading to the development of new digital financial services and products. The value of cryptocurrency transactions in Japan has increased from approximately \$22 billion in 2016 to more than \$300 billion in 2020, demonstrating the positive impact of supportive regulations on the local economy.

Similarly, in South Korea, the cryptocurrency market has grown rapidly, with the number of virtual asset service providers (VASPs) more than doubling since the introduction of regulations in 2018. This growth has been driven by the supportive regulatory

environment, which has encouraged innovation and investment in the sector. The increased number of VASPs has allowed for more competition in the market, leading to increased efficiency and lower costs for consumers. The supportive regulatory environment has also helped to protect consumers from financial fraud and other forms of exploitation, promoting a more stable and trustworthy market for digital assets. In contrast, countries such as China and India have taken a more cautious approach



to cryptocurrency exchanges, introducing measures aimed at cracking down on these platforms. In China, regulators have banned cryptocurrency trading and initial coin offerings (ICOs), and have also taken steps to block access to cryptocurrency exchanges from within the country. This has had a significant impact on the global cryptocurrency market, as China was one of the largest markets for digital assets. The ban on cryptocurrency trading and ICOs has made it more difficult for companies to raise capital through digital assets, limiting the ability of these companies to grow and innovate. Additionally, the ban has also reduced the number of cryptocurrency exchanges operating in the country, reducing competition and potentially increasing costs for consumers.

In India, the government has also introduced measures aimed at cracking down on cryptocurrency exchanges, including a proposed ban on cryptocurrencies and the use of digital assets for payments. This has led to a decrease in the number of cryptocurrency exchanges operating in the country, and has had a negative impact on the local cryptocurrency market. The proposed ban on cryptocurrencies has created uncertainty in the market, deterring investment and innovation in the sector. Additionally, the lack of regulation has made it more difficult for consumers to protect their financial interests, making the market less stable and trustworthy.

The impact of these different regulatory approaches on the local and global economy can be seen in the statistics. In countries where cryptocurrency exchanges are embraced, these platforms have become key drivers of innovation and growth, and have helped to spur the development of new digital financial services and products. In contrast, in countries where cryptocurrency exchanges are regulated more strictly, these platforms have faced challenges and limitations, and have had a more limited impact on the local economy.

Overall, the global impact of regulatory norms on cryptocurrency exchanges, such as FTX, highlights the importance of carefully balancing innovation with consumer protection and financial stability. As the use of cryptocurrencies and other digital financial services continues to grow, it is likely that different countries will continue to adopt a range of approaches to regulating these platforms. It is important for regulators to consider the potential benefits and drawbacks of different regulatory approaches, and to make decisions based on a

Possible Solutions

Incorporating Advanced Authentication Measures: Implementing advanced authentication measures, such as biometric verification, to ensure the identity of users and prevent fraudulent activities. This can be done through the integration of facial recognition, fingerprint scanning, and other secure identification methods.

Conducting Thorough Due Diligence: Performing thorough due diligence on all users, including customers, clients, and business partners, to ensure that they are not involved in any illegal activities. This will help to prevent the use of cryptocurrencies for money laundering and other illicit activities.

Strengthening Regulatory Compliance: Enhancing regulatory compliance by ensuring that all cryptocurrency exchanges and wallet providers are fully compliant with local and international regulations. This will help to prevent illegal activities, such as money laundering and terrorism financing, and protect consumers and investors.

Establishing International Cooperation: Establishing international cooperation and collaboration between regulators, law enforcement agencies, and the cryptocurrency industry to share information and prevent illicit activities. This will help to ensure that

all parties are working together to prevent the use of cryptocurrencies for illegal purposes.

Implementing Real-Time Monitoring: Implementing real-time monitoring systems to detect and prevent suspicious activities, such as unusual transactions or large transfers. This will help to ensure that cryptocurrencies are not being used for illegal activities, such as money laundering, and protect consumers and investors.

Promoting Transparency and Traceability: Promoting transparency and traceability in the cryptocurrency market through the use of public ledger systems, such as blockchain technology. This will help to increase accountability and prevent fraud and other illegal activities.

Encouraging Adoption of Common Standards: Encouraging the adoption of common standards and regulations by international regulators and the cryptocurrency industry to ensure the smooth functioning of the market. This will help to prevent fragmentation and promote greater stability in the market.

Regularly Updating Security Measures: Regularly updating security measures, such as encryption protocols, to ensure the protection of users' information and prevent data breaches. This will help to ensure that cryptocurrencies are safe and secure for users, and prevent the theft of users' funds.

Disclosing Financial Performance: Requiring cryptocurrency exchanges and wallet providers to disclose their financial performance, including revenue, expenses, and profits, on a regular and timely basis. This will help to increase transparency and accountability in the market, and protect consumers and investors.

Proposed Research Framework

I. Background information

- Brief overview of the country's economy
- Previous involvement with financial scandals
- Current financial regulations and policies

II. Analysis of the FTX scandal and its impact on the country

- How did the scandal affect the country's economy and financial sector?
- Did the country have any direct involvement with FTX or its affiliates?
- What were the government's reactions and responses to the scandal?
- Did the scandal lead to any changes in the country's financial regulations or policies?

III. The country's stance on deregulated financial instruments

- What is the country's current stance on deregulated financial instruments?
- What specific policies or regulations does the country have in place regarding these instruments?
- How effective are these policies or regulations in preventing financial scandals?

IV. International response to the FTX scandal

- What was the country's response to the FTX scandal at the international level?
- Did the country support or oppose any specific measures taken by international organizations or other countries in response to the scandal?

V. Proposed solutions and recommendations

- Based on the country's analysis and stance on deregulated financial instruments, what solutions or recommendations can the delegate propose to prevent future financial scandals?
- How can the country work with other nations and international organizations to promote better financial regulations and policies?

VI. Relevance to the country's national interests

- How does the delegate's proposed solutions and recommendations align with the country's national interests?
- What benefits or challenges may arise from implementing these solutions or recommendations?

Links to Refer

- <https://www.un.org/en/ga/second/index.shtml>
- <https://www.reuters.com/legal/ftx-judge-weighs-demand-independent-bankruptcy-investigation-2023-02-06/>
- <https://www.forbes.com/sites/thomassilkjaer/2020/07/06/is-this-3-billion-crypto->

[ponzi-still-alive/](#)

- <https://www.reuters.com/business/finance/tether-executives-said-face-criminal-probe-into-bank-fraud-bloomberg-news-2021-07-26/>
- <https://www.bbc.com/news/technology-42065724>
- <https://www.reuters.com/technology/g20-wants-build-policy-consensus-crypto-assets-2022-12-14/>

Rules of Procedure

Roll Call

A committee meeting begins with a roll call, without which quorum cannot be established. A debate cannot begin without a quorum being established. A delegate may change his/her roll call in the next session. For example, if Delegate answers the Present in the First session, he can answer Present and vote in the next session when the roll call occurs.

During the roll call, the country names are recalled out of alphabetical order, and delegates can answer either by saying Present or Present and voting. Following are the ways a roll call can be responded in -

Present - Delegates can vote Yes, no, or abstain for a Draft Resolution when they answer the Roll Call with Present;

Present and voting - An delegate is required to vote decisively, i.e., Yes/No only if they have answered the Roll Call with a Present and voting. A Delegate cannot abstain in this case.

Abstention - The Delegate may abstain from voting if they are in doubt, or if their country supports some points but opposes others. Abstention can also be used if a delegate believes that the passage of the resolution will harm the world, even though it is unlikely to be highly specific. A delegate who responded with present and voting is not allowed to abstain during a substantive vote. An abstention counts as neither “yes” nor “no vote”, and his or her vote is not included in the total vote tally.

Quorum

In order for the proceedings of a committee to proceed, quorum (also known as a minimum number of members) must be set which is one-third of the members of the committee must be present. Quorum will be assumed to be established unless a delegate's presence is specifically challenged and shown to be absent during the roll call. The Executive Board may suspend committee sessions if a quorum is not reached.

General Speakers List

After the agenda for the session has been established, a motion is raised to open the General Speaker's List or GSL. The GSL is where all types of debates take place throughout the conference, and the list remains open throughout the duration of the agenda's discussion. If a delegate wishes to speak in the GSL, he or she must notify the Executive Board by raising his or her placard when the Executive asks for Delegates desiring to speak in the GSL. Each country's name will be listed in the order in which it will deliver its speech. A GSL can have an individual speaker time of anywhere from 60-120 seconds. Following their GSL speech, a Delegate has the option of yielding his/her time to a specific Delegate, Information Points (questions) or to the Executive Board.

Speakers List will be followed for all debate on the Topic Area, except when superseded by procedural motions, amendments, or the introduction of a draft resolution. Speakers may speak generally on the Topic Area being considered and may address any draft resolution currently on the floor. Debate automatically closes when the Speakers List is exhausted.

Yield

A delegate granted the right to speak on a substantive issue may yield in one of three ways at the conclusion of his/her speech: to another delegate, to questions, or to the Director. Please note that only one yield is allowed. A delegate must declare any yield at the conclusion of his or her speech.

- Yield to another delegate. When a delegate has some time left to speak, and he/ she doesn't wish to utilize it, that delegate may elect to yield the remaining

speaking time to another delegate. This can only be done with the prior consent of another delegate (taken either verbally or through chits). The delegate who has been granted the other's time may use it to make a substantive speech, but cannot further yield it.

- Yield to questions. Questioners will be selected by the Executive Board. Follow-up questions will be allowed only at the discretion of the Director. The Director will have the right to call to order any delegate whose question is, in the opinion of the Director, rhetorical and leading and not designed to elicit information. Only the speaker's answers to questions will be deducted from the speaker's remaining time.
- Yield to the EB. Such a yield should be made if the delegate does not wish his/her speech

to be subject to questions. The moderator will then move to the next speaker.

Motions

Motions are the formal term used for when one initiates an action. Motions cover a wide variety of things.

Once the floor is open, the Chairs will ask for any points or motions. If you wish to bring one to the Floor, this is what you should do:

- Raise your placard in a way that the chair can read it
- Wait until the Chair recognizes you
- Stand up and after properly addressing the Chair("Thank you, honourable Chair" or something along these lines), state what motion you wish to propose
- Chairs will generally repeat the motions and may also ask for clarification. Chairs may do this if they do not understand and may also ask for or suggest modifications to the motion that they feel might benefit the debate.

Every motion is subject to seconds, if not otherwise stated. To pass a motion at least one other nation has to second the motion brought forward. A nation cannot second its own motion. If there are no seconds, the motion automatically fails.

If a motion has a second, the Chair will ask for objections. If no objections are raised, the motion will pass without discussion or a procedural vote. In case of objections, a procedural vote will be held. The vote on a motion requires a simple majority, if not otherwise stated.

While voting upon motions, there are no abstentions. If a vote is required, everyone must vote either “Yes” or “No”. If there is a draw on any vote, the vote will be retaken once. In case there are multiple motions on the Floor, the vote will be casted by their Order of Precedence. If one motion passes, the others will not be voted upon anymore. However, they may be reintroduced once the Floor is open again.

During a moderated caucus, there will be no speakers’ list. The moderator will call upon speakers in the order in which the signal their desire to speak. If you want to bring in a motion for a moderated caucus, you will have to specify the duration, a speakers’ time, a moderator, and the purpose of the caucus. This motion is subject to seconds and objections but is not debatable.

In an unmoderated caucus, proceedings are not bound by the Rules of Procedure. Delegates may move around the room freely and converse with other delegates. This is also the time to create blocks, develop ideas, and formulate working papers, draft resolutions, and amendments. Remember that you are required to stay in your room unless given permission to leave by a Chair.

During the course of debate, the following **points** are in order:

- Point of Personal Privilege: Whenever a delegate experiences personal discomfort which impairs his or her ability to participate in the proceedings, he or she may rise to a Point of Personal Privilege to request that the discomfort be corrected. While a Point of Personal Privilege in extreme case may interrupt a speaker, delegates should use this power with the utmost discretion.
- Point of Order: During the discussion of any matter, a delegate may rise to a Point of Order to indicate an instance of improper parliamentary procedure. The Point of Order will be immediately decided by the Director in accordance with these rules of procedure. The Director may rule out of order those points that are improper. A representative rising to a Point of Order may not speak on the substance of the matter under discussion. A Point of Order

may only interrupt a speaker if the speech is not following proper parliamentary procedure.

- **Point of Parliamentary Enquiry:** When the floor is open, a delegate may rise to a Point of Parliamentary Inquiry to ask the EB a question regarding the rules of procedure. A Point of Parliamentary Inquiry may never interrupt a speaker. Delegates with substantive questions should not rise to this Point, but should rather approach the committee staff during caucus or send a note to the dais.
- **Point of information:** After a delegate gives a speech, and if the delegate yields their time to Points of Information, one Point of Information (a question) can be raised by delegates from the floor. The speaker will be allotted the remainder of his or her speaking time to address Points of Information. Points of Information are directed to the speaker and allow other delegations to ask questions in relation to speeches and resolutions.
- **Right to Reply:** A delegate whose personal or national integrity has been impugned by another delegate may submit a Right of Reply only in writing to the committee staff. The Director will grant the Right of Reply and his or her discretion and a delegate granted a Right of Reply will not address the committee except at the request of the Director.

Draft Resolution

Once a draft resolution has been approved as stipulated above and has been copied and distributed, a delegate(s) may motion to introduce the draft resolution. The Director, time permitting, shall read the operative clauses of the draft resolution. A procedural vote is then taken to determine whether the resolution shall be introduced. Should the motion received the simple majority required to pass, the draft resolution will be considered introduced and on the floor. The Director, at his or her discretion, may answer any clarificatory points on the draft resolution. Any substantive points will be ruled out of order during this period, and the Director may end this clarificatory question-answer period' for any reason, including time constraints. More than one draft resolution may be on the floor at any one time, but at most one draft resolution may be passed per Topic Area. A draft resolu-

tion will remain on the floor until debate on that specific draft resolution is postponed or closed or a draft resolution on that Topic Area has been passed. Debate on draft resolutions proceeds according to the general Speakers List for that topic area and delegates may then refer to the draft resolution by its designated number. No delegate may refer to a draft resolution until it is formally introduced.

Amendments

All amendments need to be written and submitted to the executive board. The format for this is authors, signatories and the clause with mentioning the add, delete and replace. There are two forms of amendment, which can be raised by raising a motion for amendment and approval of the chair=

Friendly Amendments: Amendment, which is agreed upon by all the author's does not require any kind of voting

Unfriendly Amendments: Amendments that are introduced by any other need not be voted upon by the council and are directly incorporated in the resolution. You need a simple majority in order to introduce a normal amendment.

BODY of Draft Resolution

The draft resolution is written in the format of a long sentence, with the following rules:

- Draft resolution consists of clauses with the first word of each clause underlined.
- The next section, consisting of Preambulatory Clauses, describes the problem being addressed, recalls past actions taken, explains the purpose of the draft resolution, and offers support for the operative clauses that follow. Each clause in the preamble begins with an underlined word and ends with a comma.
- Operative Clauses are numbered and state the action to be taken by the body. These clauses are all with the present tense active verbs and are generally stronger words than those used in the Preamble. Each operative clause is followed by a semi-colon except the last, which ends with a period.

SAMPLE POSITION PAPER

Committee : UNDP

Country : Chad

Topic : Women in Development

The delegation of Chad is delighted to participate in the United Nations Development Programme (UNDP) committee to address the critical issue of Women in Development. As a nation committed to promoting human rights, we believe that gender equality is a fundamental right that must be upheld and protected. We are committed to creating an environment in which women are treated equally, and their contributions to society are recognized and valued. Chad recognizes that gender inequality is a significant problem that affects many women in our country. Women are often unable to access education, financial management, and even awareness of their rights. The lack of education, forced early marriage, and culturally based constraints have led to bigger problems such as unpaid overtime work, and women are left in an unpleasant condition.

The government of Chad is committed to solving this problem by providing an environment in which women are accepted and treated equally. We believe that UNDP should engage in social and cultural activities to create a “model community” in different villages, and education is one of the projects. We also believe that developing an option such as night school or another flexible-in-time and free school would be helpful in providing education to young girls who are stolen away from school and compelled to work or marry due to financial difficulties.

The delegation of Chad also believes that basic financial education is crucial to empower women to seek out services or products that are effective and capable of handling them. We would aid them in obtaining credit and a better and safer loan. We also believe that women should function as entrepreneurs in their town or group, which would create new, independent employment opportunities.

We understand that achieving gender equality is a gradual process and requires a collaborative effort. We are committed to advocating for our position to our own people and actively participating in UNDP programs regarding gender equality and women’s empowerment. We believe that by working together, we can create a safer and more secure environment for women and

ensure that their contributions to society are recognized and valued.

In conclusion, Chad is committed to promoting gender equality, and we look forward to working with our fellow delegates to address the issue of Women in Development. We urge all member states to recognize the importance of this issue and take the necessary steps to ensure that women are treated equally, and their rights are protected.

Sample Draft Resolution

Draft Resolution 101

Committee: United Nations General Assembly

Topic: Addressing the Global Issue of Climate Change

Sponsors: India, France, Canada, Germany, Brazil

Signatories: United States, China, Japan, Russia, South Africa

The General Assembly,

Recognizing the growing threat of climate change to global security and stability,

Noting with concern the increasing frequency and intensity of extreme weather events, rising sea levels, and other harmful impacts of climate change,

Emphasizing the need for immediate action to reduce greenhouse gas emissions and mitigate the effects of climate change,

Calls upon all member states to implement measures to reduce greenhouse gas emissions and transition to clean energy sources;

Encourages the establishment of international funding mechanisms to support developing countries in their efforts to mitigate and adapt to the effects of climate change;

Urges member states to work together to develop and share new technologies to reduce emissions and increase energy efficiency;

Calls for increased public education and awareness-raising campaigns to promote the importance of taking action on climate change;

Establishes a UN Climate Change Task Force to facilitate international cooperation on addressing the issue of climate change, including sharing best practices and collaborating on research and development of new technologies;

Requests the Secretary-General to report annually to the General Assembly on progress made towards addressing climate change.