

SC reprimands Bybit for operating illegal digital asset exchange

KUALA LUMPUR: The Securities Commission Malaysia (SC) has reprimanded Bybit Technology Ltd and its chief executive officer (CEO) Ben Zhou for operating a digital asset exchange (DAX) in Malaysia without registration.

In a statement Friday, the SC has directed Bybit to disable Bybit's website and mobile applications or any other digital application platform in Malaysia within 14 business days from Dec 11, 2024.

"The SC has directed Bybit to immediately cease circulating, publishing or sending any advertisements, whether in social media posts or otherwise, to Malaysian investors and immediately terminate Bybit's Telegram support group for Malaysians," it said.

The commission said Bybit's CEO has also been specifically directed to ensure compliance with the above directives.

"This decision comes after concerns about the platform's compliance with local regulatory requirements and protecting investors' interests. The SC views this breach seriously, as operating a DAX without obtaining the SC's registration as

a recognised market operator (RMO) is an offence under Section 7(1) of the Capital Markets and Services Act 2007," it said.

It also said Bybit has complied with all of the SC's directives as of to date.

According to the SC, Bybit and Ben Zhou have been included in the SC's Investor Alert List since July 2021.

Furthermore, the commission reminded investors to invest and deal only with RMOs registered with the SC, as the registered RMOs have undergone strict regulatory scrutiny and must adhere to strict guidelines to protect investors under Malaysia's securities laws.

"Those who invest in unlicensed or unregistered entities or individuals are not protected under the Malaysian securities laws and are thus exposed to risks such as fraud and money laundering.

"The public should alert the SC if they come across any suspicious websites or receive any unsolicited phone calls or emails offering unauthorised investment schemes, especially those that promise high returns with little or no risks," it added. – Bernama

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