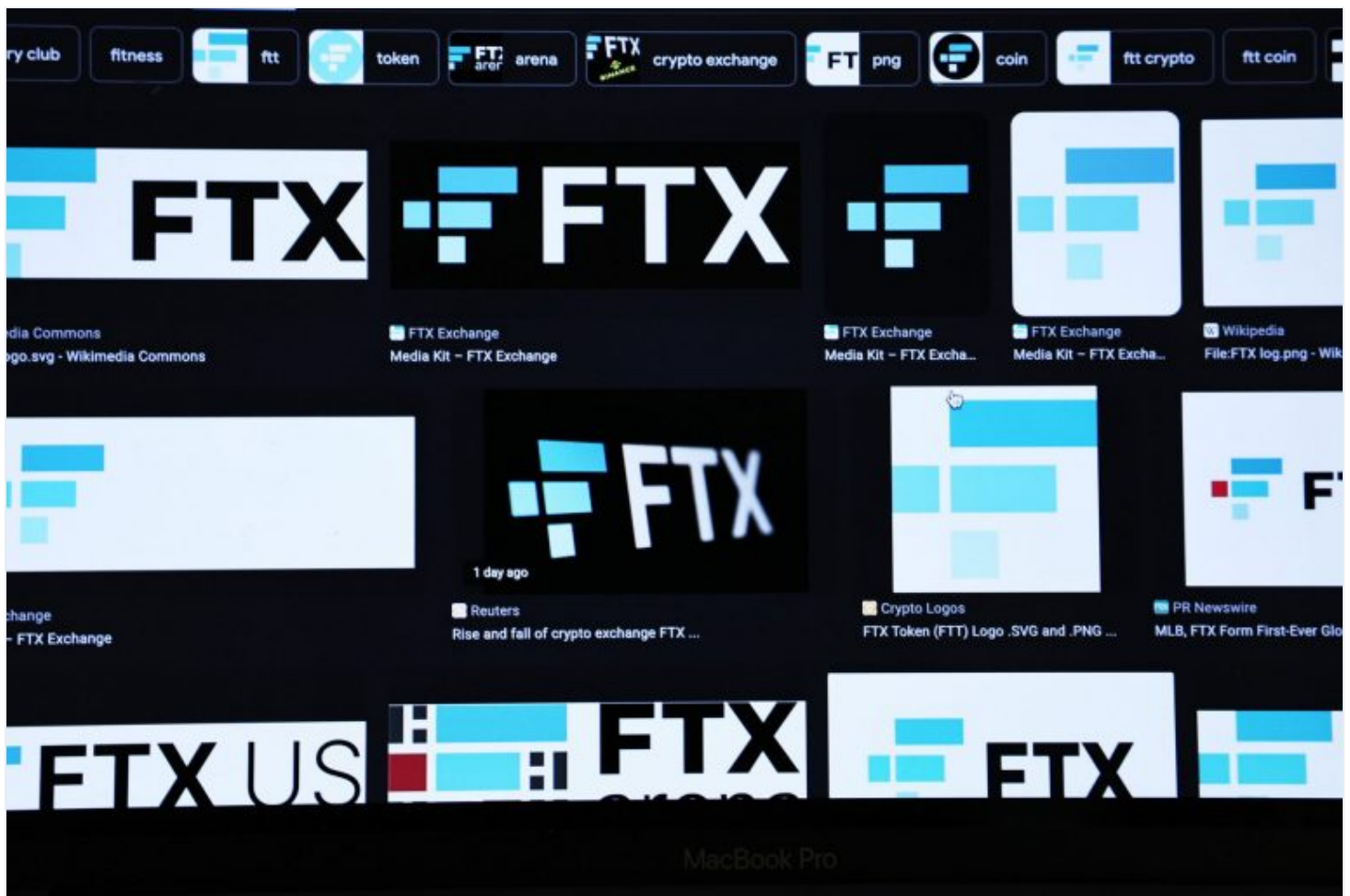


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government's demand for \$24 billion in unpaid taxes.

Dec. 14, 2023



By Steven Church, Bloomberg News (TNS)

U.S. officials will take money away from victims of the fraud-tainted crypto firm FTX Trading Ltd. unless a judge rejects the government's demand for \$24 billion in unpaid taxes, the bankrupt company said in a court filing.

The two sides were scheduled to be in court Wednesday arguing over the best procedures to determine how much of the IRS claim is legitimate. FTX wants to set a

quick schedule to estimate the claim; the IRS has argued that its audit is ongoing, so

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FTX has proposed a payout plan that calls for billions of dollars to be distributed to the company's creditors and customers who lost money. Before that proposal can go forward, the dispute with the IRS must be resolved, FTX said in a court filing. The company has asked U.S. Bankruptcy Judge John Dorsey to hold a hearing in February to decide the tax dispute.

Federal officials will eventually amend the \$24 billion claim to reclassify at least some as lower-priority, unsecured debt, the U.S. said in court papers.

"The government is not looking for a windfall, only to determine the correct amount of the tax liabilities," federal lawyers said in the filing.

Last month, FTX founder Sam Bankman-Fried was convicted of orchestrating a massive fraud that led to the collapse of his FTX exchange. The company filed for bankruptcy last year after Bankman-Fried agreed to turn over control of his empire to restructuring professionals. Since then, the advisers have been tracking down assets and trying to untangle a complex web of debt owed to various creditors, including customers who put cash and crypto on the trading platform.

FTX's administrators have so far **recovered** about \$7 billion in assets, including \$3.4 billion of crypto, according to court documents.

The case is FTX Trading Ltd., 22-11068, U.S. Bankruptcy Court for the District of Delaware.

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