

## FTX: governance lessons galore



'The epic collapse of FTX, looks set to go down as one of the great financial debacles of all time,' says Kenneth Rogoff, a professor at Harvard and former chief economist of the IMF. And James Bromley, a partner at Sullivan & Cromwell, who is representing FTX in the bankruptcy proceedings, has said that

it is 'one of the most abrupt and difficult collapses in the history of corporate America and the history of corporate entities around the world.'

Several large, well-known institutions were invested in FTX. Their apparent failure to do proper due diligence on this crypto exchange is strange, to say the least. What are the ramifications for investment governance of the FTX collapse? [Continued on page 13 >>](#)

## 2022 Director Survey results

There was a record response to The NED's annual director survey. 68 directors based in 11 jurisdictions completed this year's questionnaire.

In addition to the now regular questions on term limits, remuneration, workload etc a few additional areas were included this year, covering transparency and director selection.

88% of all respondents, and just about everyone on the boards of private funds, think director selection procedures could be improved. However, the reasons given for why and how this could be done are varied.

Opinion was more divided on whether there should be more transparency in fund governance. A small majority, just 57%, think that there should be more transparency. Areas given where the process should be more open were wide and diverse. On the other hand, nearly half of the respondents felt that no more transparency is needed at all. The majority of those serving on the boards of private offshore funds are in this camp.

It is interesting to note that directors' remuneration doesn't appear to have gone up at all, since The NED conducted its last survey, but 84% of respondents say that their workload has increased. Nonetheless, 87% report that there are more people seeking to become independent directors in their jurisdiction. Supply and demand would suggest that managers do not need to put directors' fees up as a result. Being an independent fund director is becoming more attractive to many in spite of the growing workload and competition for mandates. Please turn to page 10 for the results.

[Continued on page 10 >>](#)

## Contents

<b>News</b>	2
IFI Global's podcast library launches	2
Crypto governance forum	2
The NED's green independent directors	3
SIS expanded to include ESG functionality	3
<b>Black swans &amp; liquidity</b>	4
<b>Identifying potential problems</b>	7
<b>2022 Director Survey results</b> – continued from page 1	10
<b>FTX: governance lessons galore</b> – continued from page 1	13
<b>The NED's fund director ratings</b>	17
<b>The NED leading governance &amp; ManCo listings</b>	19
<b>Non Executive Fund Directors Database</b>	22

The NED is published monthly by IFI Global Ltd. Annual subscription is £340. No part of this publication may be distributed or reproduced in whole or in part without prior written permission from the publisher. All contents copyrighted.

## The NED Subscription Form

### With your NED subscription:

- 12 issues of the publication.
- Attendance at all NED events.
- Receipt of NED research. The NED has developed a proprietary databank of information on investor and manager views on board composition, practise and preferred director qualifications.
- The NED Directory. Subscribers are welcome to be included in the NED Directory of fund directors on nedglobal.com.

This form can be completed and saved in Acrobat Reader and then emailed to [Tamara Sims](#)

Name:

Company:

Address:

Email:

Tel:

Date:

An annual subscription to The NED is £340  
A corporate subscription to The NED is £850  
**Subscribers in the UK:** Add 20% VAT

## Payment options

**Direct Transfer**  
HSBC Bank Plc  
Oxford Summertown Branch

Account: IFI Global Ltd  
Bank Account No: 41444530  
Sort Code: 40-35-35  
IBAN: GB95HBUK40353541444530  
SWIFTBIC: HBUKGB4B

**By Cheque** (£ Sterling only)  
Make cheque payable to:  
IFI Global Ltd.  
10 Arthur Street  
London EC4R 9AY

For additional information please contact Tamara Sims at [sims@ifiglobal.com](mailto:sims@ifiglobal.com)  
IFI Global Ltd, 10 Arthur Street, London EC4R 9AY Tel: +44 (0) 207 220 9077

The NED is published by IFI Global Ltd, 10 Arthur Street, London EC4R 9AY Tel: +44(0)207 220 9077

Editorial & research enquiries:  
**Simon Osborn** e-mail: [osborn@ifiglobal.com](mailto:osborn@ifiglobal.com)

Directory, event & subscription enquiries:  
**Tamara Sims** e-mail: [sims@ifiglobal.com](mailto:sims@ifiglobal.com)