

MtGox bust, placed under administration

TOKYO, JAPAN - Failed Bitcoin exchange MtGox has been placed in administration by a Japanese court, with an order for bankruptcy expected to be issued soon, its administrator and chief executive said.



MtGox's Mark Karpeles has handed control of the failed exchange over to administrator Nobuaki Kobayashi. Image: [Security Affairs](#)

"The Tokyo District Court decided to dismiss the application for the start of a civil rehabilitation and at the same time, an order for provisional administration was issued. Attorney Nobuaki Kobayashi, Supervisor and Examiner under the Civil Rehabilitation Procedure, was appointed provisional administrator," a statement from Mark Karpeles said.

The move means Karpeles, the controversial founder of what was once the world's biggest trading place for the virtual currency, will cede control of the company to Kobayashi.

"I, as the provisional administrator, will administer the assets of MtGox under the supervision of the Tokyo District Court," said a statement in Kobayashi's name posted on the MtGox website.

"I will strive to fairly and equitably administer the company's assets, both domestically and internationally, by attempting to use certain foreign procedures, including a Chapter 15 filing in the United States of America.

"The outlook is that, although it is subject to the decision by the Tokyo District Court, it is expected that the start of bankruptcy proceedings will be ordered," Kobayashi said.

Source: AFP via I-Net Bridge