Title: Significance of Bail Ins?
Author: Anonysoarus
Created 2021-08-31 23:23:40 UTC
Permalink: /r/Autisticats/comments/pfhfby/significance_of_bail_ins/
Url: https://www.reddit.com/r/Autisticats/comments/pfhfby/significance_of_bail_ins/
Is_self: True

I'm smoothbrained and need some help.

Hypothetical situation: I sell one share in Broker X for 20 million dollars. The cash is sitting in my account, moass is going crazy, all of a sudden Broker X fails.

The government has already quietly prepared for this and "Bail Ins" are implemented. No more bail outs.

The tax payer will not be burdened this time; but the "unsecured creditor" aka depositor or retail investor will. Broker X now takes some of my 20 million in my account to use for themselves to stay afloat. I am forced to write off this loss.

Can we start talking about this? Please tell me I'm wrong and Broker X (or my bank for that matter) can't touch my tendies before I've even had a chance to touch them?

https://www.investopedia.com/articles/markets-economy/090716/why-bank-bailins-will-be-new-bailouts.asp

Here is an excerpt from an article:

"According to The Economist, the magazine that coined the term "bail-in", a bail-in occurs when the borrower's creditors are forced to bear some of the burden by having a portion of their debt written off. For example, bondholders in Cyprus banks and depositors with more than 100,000 euros in their accounts were forced to write-off a portion of their holdings. This approach eliminates some of the risk for taxpayers by forcing other creditors to share in the pain and suffering."

Source: https://www.thebalance.com/what-is-a-bail-in-and-how-does-it-work-1979089

How does a Bail In vs a Bail Out affect GME? Is it just FUD, or are Apes not prepared for what's coming?