

Facebook-backed Libra unveils revamped digital money project

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The Swiss based Libra Association created by Facebook and various partners has restructured its digital currency plans to minimize disruption to the financial system

The Facebook-backed Libra Association unveiled plans Thursday to seek approval for digital coins in individual currencies, revamping its cryptocurrency initiative in a move aimed at minimizing disruption to the global monetary system.

The new plan submitted to Swiss regulators could scale back the ambitious digital money initiative unveiled last year and touted as tool for financial inclusion but slammed by global monetary leaders.

Under the new plan, separate "stablecoins" would be created and pegged to real-world money such as the US dollar and the euro.

The Swiss-based association, which includes Facebook and a variety of partners, said a shift to using individual currencies was made after hearing comments and complaints on its original proposal.

"A key concern that was shared was the potential for the multi-[currency](#) Libra Coin to interfere with monetary sovereignty and monetary policy," the association said in a white paper.

"We are therefore augmenting the Libra network by including single-currency stablecoins" in addition to the multi-coin Libra.

The association is seeking approval by Swiss authorities for digital payments and plans to register in the United States as a money service business, a spokesman said.

Libra, a high-profile project launched by social network giant Facebook, is tentatively scheduled to launch this year but has been battered by severe criticism from some of the world's most influential financial authorities.

Central bank officials and others have expressed concern about a blow to their sovereignty from a new Libra coin pegged to a basket of currencies.

Late last year, French Economy Minister Bruno Le Maire bluntly expressed his concerns, saying, "Libra is not welcome on European soil."



The Facebook-backed Libra Association is seeking to promote a stable digital currency promoting financial inclusion, but the plan has been slammed by global monetary officials

Pulling away from Facebook

Facebook has touted the currency initiative as a way of lower costs for people around the world, eliminating the high fees of cross-border transfers.

Chief executive Mark Zuckerberg has contended that Libra could extend US "financial leadership" while providing "a safe, low-cost, and efficient

way of sending and receiving payments around the world."

Critics have said the plan would give too much power to Facebook, but the California company has argued the system would be managed by an independent board which includes companies and nonprofit organizations.

The Libra Association said Thursday that it passed an "important milestone" by starting a process to license its payment process with the Swiss Financial Markets Supervisory Authority.

The objective is for Libra to complement existing currencies and monetary policies while cutting costs and enabling broader access to banking and financing for people and businesses, the association said in a white paper.

Libra is bolstering the Libra financial compliance network when it comes to thwarting money-laundering and other illicit activities such as funding terrorism or avoiding sanctions, according to the association.

Libra also said that it is hardening defenses of its technology platform and the reserve that is backing digital currencies.

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