

Central banks join to study possible digital currencies

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Clouds drift over the European Central Bank, right, in Frankfurt, Germany, Saturday, Jan. 18, 2020. (AP Photo/Michael Probst)

Major central banks have joined together to explore whether they should issue digital currencies as the use of cash declines and more people turn to electronic forms of paying.

The study group is made up of the European Central Bank, the Bank of Japan, the Bank of Canada, the Bank of England, the Swedish Riksbank and the Swiss National Bank.

They said in a statement Tuesday that they will assess the potential case for digital currencies in their home jurisdictions. The Swedish central bank has already studied the issue for several years and has commissioned a [pilot project](#) as the use of cash declines in that country. No decision has been made.

Existing cryptocurrencies such as bitcoin are not suited for paying for things because they can fluctuate sharply in value. Facebook has backed the Libra project for a so-called stablecoin, a digital

[currency](#) linked to existing currencies. Several major partners such as Visa, Mastercard, PayPal and eBay have left the association set up to oversee Libra as it faces pushback from regulatory authorities.

The group will assess [technical issues](#) and share knowledge on emerging technologies. It will be co-chaired by Benoit Coeure, a former top ECB official, and Jon Cunliffe, deputy governor of the Bank of England.



European Central Bank President Christine Lagarde smiles during a meeting of European Union Finance Ministers in Eurogroup format at the Europa building in Brussels, Monday, Jan. 20, 2020. (AP Photo/Francisco Seco)

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