

Is LIBRA a European issue?



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Cryptoassets

On an international level there is currently no common definition of crypto-assets.

Cryptocurrency (*Cryptographic Currency*) is the term used to describe digital currencies which utilizes Cryptography to secure their payment networks and transactions.

Any digital currency with a blockchain, which uses 'cryptography' to encrypt recordings can be referred to as Cryptocurrency.

Cryptoassets according to ECB

They are not money, and even less so a currency, because they do not perform the functions of money, i.e. a medium of exchange, a unit of account, and a store of value. This is mainly due to high volatility in their value.

Assets that do not have an identifiable issuer: there is nobody who would be responsible for them and would stand behind them. Legally there is no one to make a claim against if things don't go the way they should.

At the moment the number of bitcoin transactions per day ranges from around 300,000 to 350,000, whereas daily transactions in euro in the retail payment market amount to around 350 million. We don't see an extensive use of crypto-assets, at least not in the current phase. Based on today's situation, we definitely do not see crypto-assets replacing traditional currencies.

- ***High volatility (no real assets behind)***
- ***No identifiable issuer***
- ***Not an extensive use***

“Libra is for everyone”



“Moving money around the world should be as easy and cheap as sending a text message. No matter where you live, what you do, or how much you earn.”

Libra is a **global cryptocurrency** that will be available around the world.

Libra will be **accessible to anyone with an entry-level smartphone and data connectivity.**

Libra is **backed by a reserve** made to keep its value **stable.**

“Libra transactions are quick and easy, no matter where you are sending, or spending, your money.”

Libra will foster an ecosystem of products and services made to help people use Libra in their everyday lives.

Libra is a cryptocurrency, built on a **new blockchain.**

What's new?



Libra is a **stable** coin: Libra will be backed by reserves composed of a **basket of traditional currencies**.

Libra is **massive**: they can leverage a large customer base and eventually have a global footprint: WHATSAPP, INSTAGRAM, wide partnership

Given its potential reach, Libra could create **opportunities wherever bank system fails or is too weak**

What's dangerous? - 1

The whole **philosophy**



An Introduction to Libra

White Paper • From the Libra Association Members

Libra's mission is to enable a simple global currency and financial infrastructure that empowers billions of people.

Permissionless consensus currency:

it also risks shifting substantial financial activity from supervised or overseen financial entities to the unregulated space

What's dangerous? - 2

Partnership: not an impromptu idea, but a defined strategy together with strong, economical partners, able to influence governance and governments.

- Payments: **Mastercard, PayPal, PayU (Naspers' fintech arm), Stripe, Visa**
- Technology and marketplaces: **Booking Holdings, eBay, Facebook/Calibra, Farfetch, Lyft, Mercado Pago, Spotify AB, Uber Technologies, Inc.**
- Telecommunications: **Iliad, Vodafone Group**
- Blockchain: **Anchorage, Bison Trails, Coinbase, Inc., Xapo Holdings Limited**
- Venture Capital: **Andreessen Horowitz, Breakthrough Initiatives, Ribbit Capital, Thrive Capital, Union Square Ventures**
- Nonprofit and multilateral organizations, and academic institutions: **Creative Destruction Lab, Kiva, Mercy Corps, Women's World Banking**

We hope to have approximately 100 members of the Libra Association by the target launch in the first half of 2020.

Patchwork solutions: a solution per each country.

What's action plan?



The ECB and the community of European central banks investigate potential risks to financial stability, as well as anti-money laundering, operational resilience, and the possible impact on central bank functions, including the safety and efficiency of payment systems and the smooth conduct of monetary policy.

Libra and similar initiatives should be subject to the principle of “same risk, same regulation”, based on a holistic assessment.

To avoid regulatory arbitrage, the European System of Central Banks, together with the global central bank community, aims to develop a globally consistent approach.

Information and awareness

Grazie!
Thank You!

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