

# Facebook Inc

09:09 14 Oct 2019

## Facebook's Libra creates "challenges" for finance sector, regulator warns

The Financial Stability Board (FSB), the world's most powerful financial regulator, has warned that 'stablecoin' cryptocurrencies such as Facebook Inc's (NASDAQ:FB) Libra could present "a host of challenges" for the global financial system.

In a **letter** to finance ministers and central bank governors of the G20 group of countries, FSB chairman Randal Quarles said stablecoins had the potential to become "substantially important" to the world's financial stability but would also produce issues around compliance, tax evasion, cybersecurity and antitrust law among others.

**READ:** Tales from the crypto: 'Game of Thrones' at Facebook's Libra  
 "Stablecoin projects of potentially global reach and magnitude must meet the highest regulatory standards and be subject to prudential supervision and oversight", Quarles said, adding that any gaps in regulation needed to be addressed "as a matter of priority".

Unlike cryptocurrencies such as Bitcoin, which have a price that fluctuates based on market speculation, stablecoins have a set value pegged to other assets, normally a national currency such as the dollar.

In the case of Libra, its value is to be derived from a basket of different assets including national currencies, bonds and other securities.

### Barrage of criticism

However, the currency has attracted considerable criticism from global financial institutions since it was unveiled by Facebook earlier this year, with Federal Reserve chair Jerome Powell having said previously that the central bank had "serious concerns" about the project, mostly relating to privacy, consumer protection and general financial stability.

The barrage of controversy is already causing a headache for Facebook, with original backers Mastercard Inc (NYSE:MA), Visa Inc (NYSE:V), eBay Inc (NASDAQ:EBAY), PayPal Holdings Inc (NASDAQ:PYPL), online payments processor Stripe and Latin American mobile payment firm Mercado Pago having all pulled out of the project over the last few weeks.

However, the Libra project, which is due to launch officially next year, still retains some substantial backers besides Facebook, notably ride-hailing giant Uber Technologies Inc (NYSE:UBER) and music streaming group Spotify Technology SA (NYSE:SPOT).

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private

**Price:** 202.26

**Market Cap:** \$576.79 billion

### 1 Year Share Price Graph



### Share Information

**Code:** FB

**Listing:** NASDAQ

52 week	High	Low
	208.65	123.02

**Sector:** Online business & e-commerce

**Website:** www.facebook.com

### Company Synopsis:

*When it comes to social networking, it's wise to put your best face forward. Facebook, the social networking juggernaut, lets users share information, post photos and videos, play games, and otherwise connect with one another through online profiles.*

action@proactiveinvestors.com

investors, private client brokers, fund managers and international investor communities.

Contact us +44 (0)207 989 0813 [action@proactiveinvestors.com](mailto:action@proactiveinvestors.com)

### No investment advice

The Company is a publisher. You understand and agree that no content published on the Site constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You understand that the Content on the Site is provided for information purposes only, and none of the information contained on the Site constitutes an offer, solicitation or recommendation to buy or sell a security. You understand that the Company receives either monetary or securities compensation for our services. We stand to benefit from any volume which any Content on the Site may generate.

You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value, suitability or profitability of any particular security, portfolio of securities, transaction, investment, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including Company-related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.

The Site does not, and is not intended to, provide investment, tax, accounting, legal or insurance advice, and is not and should not be construed as providing any of the foregoing. You should consult an attorney or other relevant professional regarding your specific legal, tax, investment or other needs as tailored to your specific situation.