

US Fed to look 'carefully' at Facebook virtual coin Libra

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Jerome Powell, chairman of the Board of Governors of the Federal Reserve, speaks in conversation with Neil Irwin of the New York Times at the Council on Foreign Relations on June 25

Federal Reserve chairman Jerome Powell said Tuesday the US central

bank will be closely scrutinizing Facebook's newly announced cryptocurrency Libra with an eye toward potentially regulating the virtual coin.

Powell became the latest official to voice concern over the global virtual currency unveiled last week by Facebook and an array of partners which aims to lower transaction costs and bring more services to people without access to the banking system.

"We're looking at it very carefully," Powell said at an event sponsored by the Council on Foreign Relations. "Given the possible scale of it, I think that our expectations from a consumer protection standpoint, from a regulatory standpoint, are going to be very, very high."

The Libra coin plan, backed by financial and nonprofit partners, represents an ambitious new initiative for the world's biggest social network with the potential to bring crypto-money out of the shadows and into the mainstream.

But the plan has already prompted calls in Europe for close regulatory scrutiny and several US lawmakers have said they more information from Facebook.

Several analysts have said the new currency could create a regulatory conundrum due to the global reach of Facebook, which has more than two billion users.

Powell, speaking at the forum in New York, said that "authority for overseeing Libra is going to be in a number of places but I think the big picture is we're going to be looking really carefully at it."

Facebook said the new virtual [coin](#) would be overseen by a nonprofit Libra Association based in Geneva which would maintain a real-world

asset reserve to keep its value stable.

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