

France demands 'guarantees' on Facebook's cryptocurrency plan

June 18 2019



Facebook's digital money can never become a 'sovereign currency', France's finance minister warns

France's finance minister said Tuesday that strong guarantees were needed over the use of cryptocurrencies after Facebook announced it

was leaping into the market with its own digital money.

Finance Minister Bruno Le Maire, whose government has also initiated a new tax on digital giants like Facebook that has angered the United States, said such digital money could never replace sovereign currencies.

"If Facebook wants to create an instrument for transactions, why not? But there is no question that this can become a sovereign [currency](#)," he told Europe 1 radio, saying a "limit" had to be set.

"It cannot and must not become a sovereign currency, with all of attributes of a currency" such as the capacity to issue sovereign debt and serve as a reserve currency.

"The aspect of sovereignty must stay in the hands of states and not private companies which respond to private interests," Le Maire added.

There need to be "guarantees" so that "this transaction instrument is not misused, for example, for the financing of terrorism or illicit activities," he said.

Le Maire, whose country currently holds the G7 presidency, said he had asked the group's central bank governors to prepare a report by mid-July.

This would lay out the guarantees required from cryptocurrencies, he added, saying it was necessary to "protect consumers".

Facebook and some two dozen partners on Tuesday released a prototype of a cryptocurrency called Libra, whose rollout as a global digital money is expected next year.

French lawmakers this year approved legislation—dubbed "Gafa" after Google, Amazon, Facebook and Apple—for a new tax on digital giants,

and a joint commission of the upper and lower houses is now discussing the final details.

The plan was developed amid rising public outrage at the minimal tax paid by some of the world's richest firms.

President Emmanuel Macron has presented himself as a supporter of new technologies but has also made clear that digital giants need to do much more to improve regulation.

He has been hugely critical of the failure of social media companies to crack down on extremism, and in May hosted Facebook founder Mark Zuckerberg for talks in Paris.

"This transaction instrument will allow Facebook to again accumulate millions of millions of items of data," Le Maire said.

"This reinforces my conviction on the need to regulate digital giants and ensure they are not in a monopolistic situation," he said.

© 2019 AFP

Citation: France demands 'guarantees' on Facebook's cryptocurrency plan (2019, June 18)
retrieved 19 April 2024 from

<https://phys.org/news/2019-06-france-demands-facebook-cryptocurrency.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.