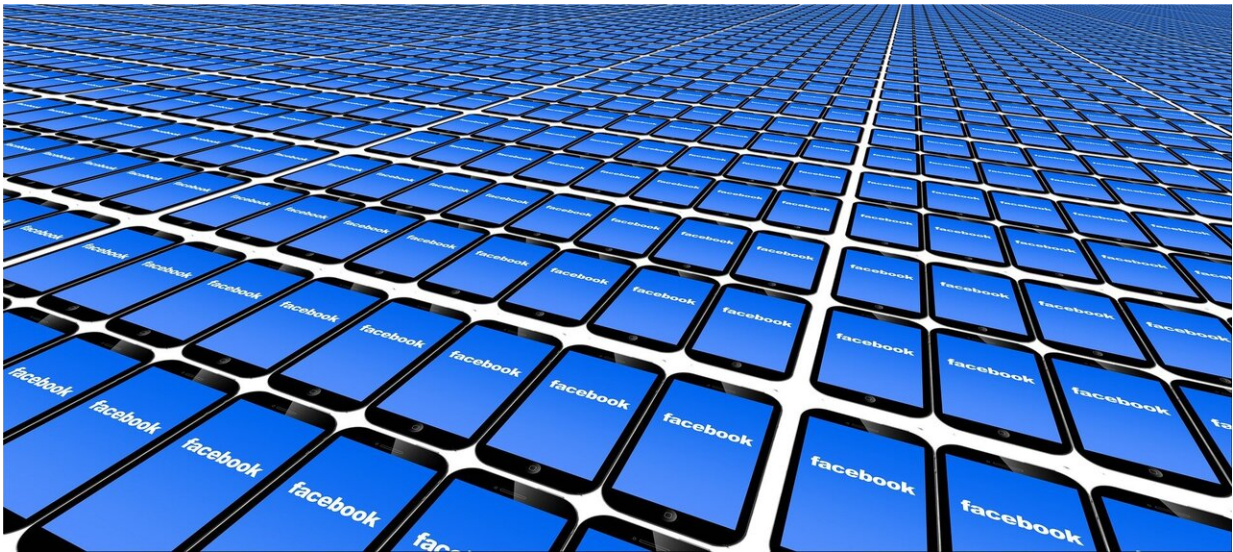


# Swiss watchdog 'in contact' with Facebook cryptocurrency backers

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Credit: CC0 Public Domain

Switzerland's market watchdog confirmed Thursday that it is in contact with the "initiators" of Facebook's new cryptocurrency, as questions mount over how the money will be regulated.

Switzerland has tried to establish itself as a global cryptocurrency hub, but the entry into the market of a behemoth like Facebook will increase scrutiny over the rules Switzerland has in place.

"We can confirm that we are in contact with the initiators of the project," a spokesman for the Swiss Financial Market Supervisory Authority (FINMA), Tobias Lux, told AFP in an email.

The Libra coin plan, launched this week by Facebook and some two dozen partners, is being overseen by a Geneva-based nonprofit called the Libra Association.

Lux declined to comment on the details of FINMA's exchanges with the Libra Association but said the watchdog's role was to determine "whether the planned services require approval under Swiss supervisory law and, if so, which."

The Libra Association has said it registered in Switzerland because the wealthy Alpine nation has "a history of global neutrality and openness to blockchain technology."

But given Facebook's international reach, global regulators are unlikely to leave supervision of Libra entirely to the Swiss.

The US Senate committee on banking, housing and urban affairs announced on Wednesday that it would hold hearings next month on "Facebook's proposed [digital currency](#) and data privacy concerns."

Bank of England Governor Mark Carney has said the Facebook project required scrutiny while French Finance Minister Bruno Le Maire warned Libra cannot be allowed to replace sovereign currencies.

Switzerland, a long-standing global banking hub, has made a series of moves to attract nascent cryptocurrency businesses, including tax breaks and logistical support.

The northern town of Zug has been dubbed "Crypto Valley" because of

the influx of virtual currency firms.

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