

German Finance Minister Says Gov't Must Reject Facebook's Libra Coin



German Finance Minister Olaf Scholz stated that policymakers cannot accept parallel currencies such as Facebook's proposed Libra stablecoin.

Prevent stablecoins from becoming alternative currencies

As reported by Reuters, on Sept. 17, German Vice-Chancellor and Finance Minister Olaf Scholz said during a panel discussion in Berlin that Facebook's planned crypto coin Libra will be clearly rejected. He said:

According to a document seen by Reuters, German regulators are working closely with their European and international allies to make sure stablecoins will not become alternatives to traditional currencies. The document reportedly read:

"The Federal Government will work at European and international level to ensure that stablecoins will not become an alternative to official currencies"

The German government has spoken out against Facebook's Libra project before. On Sept. 13, German parliamentarian Thomas Heilmann stated that the government will block projects like Libra, claiming that the authorities are not planning to allow any market-relevant private stablecoins, following in France's footsteps.

Libra is no threat to the global financial

system

Meanwhile, David Marcus, head of Calibra, was attempting to defuse Libra's perceived threat to the global financial system yesterday.

Marcus pointed out during a meeting between Libra founders and 26 global central banks in Basel that Libra's cryptocurrency project does not intend to form a new currency but rather build a "better payment network and system running on top of existing currencies" to deliver meaningful value to users over the globe. He emphasized that there is no new money creation, which will "strictly remain the province of sovereign Nations."

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