

Statement of the Blockchain Bundesverband on Facebook's crypto currency "Libra"

June 18th, 2019

The Blockchain Bundesverband welcomes the initiative of Facebook to bring the advantages of the Blockchain technology to a broad user base. It has long been known that international payment transactions can be significantly simplified and transaction costs reduced by using a blockchain. The introduction of a crypto token with stable value is also not new to the blockchain community, but previous approaches were often questionable from a legal point of view (for instance, Tether). It is expected that Facebook and the Libra Association could set new standards in the regulatory area for so-called "stable coins". The Blockchain Bundesverband acknowledges that the vast majority of all inventions and concepts that come to fruition in the Libra whitepaper have been developed by the worldwide blockchain community in recent years or made fruitful for use within decentralised currency systems. As an important player in the open source ecosystem, we hope that Facebook will return its developments back to the community through open source contributions.

With regard to the question of "governance" of the Libra network, it is too early to judge how centralized or decentralized the – yet to be released – Libra currency system will be. We hope that Facebook will create an open network that is also accessible to third parties in order to actually implement the idea of decentralisation. Only a truly decentralized, uncensored and open ecosystem will be able to change the world for the better.

Alone by spreading the concept of crypto currencies and using digital wallets based on public key cryptography, Facebook does an invaluable service to the blockchain community overall. We hope and expect that, in a few years, many millions or even billions of people will learn how to use wallets and to manage private and public keys.

Regarding the question of digital identity, the Blockchain Bundesverband advocates decentralized, self-sufficient identity systems. Currently, Facebook with its platforms Facebook, Instagram and Whatsapp does not operate such a system. We hope that the Libra Blockchain will be an impetus for the company to rethink its digital identity strategy and strengthen the autonomy and independence of its users.