The announcement by Facebook in June 2019 of its plan to launch a global payment system based on the Libra ‘stablecoin’ has triggered an intense public debate about the potential benefits and risks of ‘stablecoins’, in general, and the Libra project, in particular. Billed by its promoters as a new way for users to make digital payments, cheaply and conveniently, Libra seeks to address Facebook’s global user base of 3 billion and, especially, the 1.7 billion global citizens, mostly in developing countries, who are ‘unbanked’. Regulators, by contrast, are concerned about the emergence of a privately-controlled ‘global currency’, issued by an ‘unaccountable’ consortium of international companies, and backed by a ‘reserve fund’ that could, within a short period of time, become a ‘systemically important’ global trader of currencies and government securities.

The presentation of Libra has added new urgency for governments to update their legal frameworks to account for ‘stablecoins’ and other categories of ‘crypto-assets’, and for central banks to advance their own plans for ‘central bank digital currencies’ (CBDCs). The European Commission recently presented a comprehensive legislative proposal for a ‘Regulation on Markets in Cryptoassets (MiCA)’ while Sweden’s Riksbank launched a pilot project for a CBDC, the ‘eKrona’.

This web conference will be hosted by Finance Watch and take the form of a half-day online event. It will seek to contribute to the public debate about regulating financial innovation in general, the proposed ‘Regulation on Markets in Cryptoassets (MiCA)’ in particular, and discuss issues related to consumer protection, financial inclusion, financial stability and monetary policy.

The event comprises two expert panels and will offer participants the opportunity to interact with the panellists in a Q&A session following each panel. Each panel session will be approx. 60 minutes. The event addresses an audience of European and national policymakers, financial and monetary policy experts, members of Finance Watch and other civil society organisations, and interested members of the public.

The objective of this event is to provide participants with an appreciation of the opportunities and risks involved in the digital transition of the EU financial sector, discuss the recently published Commission proposal for a ‘Regulation on Markets in Cryptoassets (MiCA)’, and explore the potential impact of these new instruments on financial stability.
What are the arguments in favour of, or against, tokenisation, in general, and new asset categories, such as stablecoins, in particular? Why would they be beneficial for consumers? Why do they need to be regulated?

Panellists:
Ondřej Kovařík (MEP, Renew Europe), Elie Beyrouthy (European Payment Institutions Federation), Wolf-Georg Ringe (Universität Hamburg)

Moderator/Chair:
C. M. Stiefmueller, Finance Watch

• Domestic and cross-border payments: stablecoins as a challenge to established payment modes and channels, such as bank transfers, credit and debit cards.
• DLT benefits: distributed ledgers and tokenisation – game-changing new technologies for trading assets and effecting payments.
• Financial inclusion: stablecoins as a way for the ‘unbanked’ population to receive and transfer money in a stable, global currency.
• Regulation: the European Commission’s Digital Finance Package and its proposal for a Regulation on Markets in Crypto-Assets (MiCA)