

## Facebook's Libra cryptocurrency 'poses risks to global banking'

<b>Notes &amp; Cues:</b>	<b>Article:</b> <p>Facebook announced it would launch its own digital currency, Libra, in 2020. It will allow its billions of users to make financial transactions across the globe in a move that could potentially shake up the world's banking system.</p> <p>Facebook's plan poses risks to the international banking system that should trigger a speedy response from global policymakers, according to the organisation that represents the world's central banks.</p> <p>Echoing warnings from many tech experts, the Bank for International Settlements (BIS) said that while there were potential benefits to be made, the adoption of digital currencies outside the current financial system could reduce competition and create data privacy issues.</p> <p>"The aim should be to respond to big techs' entry into financial services so as to benefit from the gains while limiting the risks," said Hyun Song Shin, economic adviser and head of research at BIS. BIS said that the new entrants to the market could have a competitive advantage over banks.</p> <p>Given the operations of big techs straddle different regulatory perimeters and geographical borders, coordination among national and international authorities will be crucial, BIS said.</p>
<b>Summary:</b>	