



Facebook Libra and Blockchain

Facebook's Libra cryptocurrency and its Calibra wallet have rightly drawn sharp criticism from lawmakers. EFF shares the concerns of those seeking to protect people's privacy and rights from Facebook's abuses. Yet regulation must avoid onerous requirements that could entrench large companies such as Facebook, or hurt the privacy and speech of cryptocurrency users.

Libra's Problems There are innovations that make cryptocurrencies and blockchain technology exciting from a digital rights perspective. Yet Libra and Calibra do not incorporate them. For example, neither include innovations to protect consumer transactional privacy. Also, Facebook, rather than its users, will control the security of its Calibra wallet. And its reach through multiple products raises concerns about its potential to stifle competition.

Regulation Congress should avoid regulation targeted at Facebook that inhibits future cryptocurrency innovation or exacerbates Facebook's dominance. EFF believes that are ways to address legitimate antitrust and fraud concerns while preserving both speech and privacy rights.

We recommend that any regulation around blockchain:

- Should be technologically neutral.
- Should not punish those who merely write and publish code.
- Should provide protections for individual miners, merchants who accept cryptocurrencies, and individuals who trade in cryptocurrency as consumers.
- Should focus on custodial services, not those that can't trade assets without user participation.
- Should provide an adequate on-ramp for new services to comply.
- Should recognize the human right to privacy.
- Should recognize the important role of decentralized technologies in empowering consumers.
- Should not chill future innovation that will benefit consumers.

We urge Congress to continue engaging with technology and human rights experts on this issue.

Want more information?

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