

UNITED STATES LAWMAKER CALLS FOR FACEBOOK TO PAUSE ITS LIBRA CRYPTOCURRENCY PROJECT

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Facebook's plan to create a digital currency used across the world is already raising concern with financial regulators and privacy experts. | Photo Credit: [AP](#)

A leading U.S. House lawmaker on Tuesday called on Facebook Inc. to halt the development on its new cryptocurrency and its company executives to testify before Congress, adding to global concerns about what the digital currency could mean for data privacy and security.

Maxine Waters, who chairs the House Financial Services Committee, said that Facebook should halt development of the product, [dubbed Libra](#), until Congress and regulators can review the issue, and called on company executives to testify before Congress.

"Facebook has data on billions of people and has repeatedly shown a disregard for the protection and careful use of this data. With the announcement that it plans to create a cryptocurrency, Facebook is continuing its unchecked expansion and extending its reach into the lives of its users," she said in a statement.

Her comments came after Representative Patrick McHenry, the senior Republican on her panel, also sought a hearing on Facebook's new initiative. A Facebook representative said that the company looked forward to answering the lawmakers' questions.

Facebook's announcement was met with immediate backlash from U.S. lawmakers and regulators across the globe, who are concerned that Facebook is already too massive and careless with users' privacy.

"Facebook is already too big and too powerful, and it has used that power to exploit users data without protecting their privacy. We cannot allow Facebook to run a risky new cryptocurrency out of a Swiss bank account without oversight," said Senator Sherrod Brown, the top Democrat on the Senate Banking Committee, in a statement.

U.S. Senator Mark Warner, a Virginia Democrat who also sits on Senate Banking Committee, expressed concern that through Libra, Facebook was using its scale in social networking to achieve dominance in adjacent markets like mobile payments.

French Finance Minister Bruno Le Maire called for more regulation of tech companies. "This instrument for transactions will allow Facebook to collect millions and millions of data, which strengthens my conviction that there is a need to regulate the digital giants," he said in an interview on *Europe 1* radio.

But Bank of England Governor Mark Carney said he had an open mind on the potential utility of the product, while warning that it could face strict regulation.

Facebook has engaged with regulators in the United States and abroad about the planned cryptocurrency, company executives said. They would not specify which regulators.

A U.S. regulatory source briefed on the matter said that Facebook had been in communication

with U.S. regulators but it was still unclear how the currency would be structured and whether it would directly fall under any existing U.S. regulatory regimes.

Switzerland's financial watchdog said that it was in contact with the initiators of the Libra project but declined to comment on whether it was obtaining specific regulatory permission or status.

Markus Ferber, a senior German lawmaker in the European parliament, said in a statement that Facebook's new coin should put regulators on high alert and called on the European Commission to start work on regulatory framework for virtual currencies.

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