



LIBRA

NEWS

Facebook has announced to launch an in-house crypto currency called "Libra" by the first half of 2020.

THE LIBRA NETWORK

The Currency

Libra will be a crypto currency backed by **a reserve of real assets** to keep its value stable. Crypto currency built on encryption technology is a digital currency that users buy and store from digital wallets. It is not controlled by any central authority, nor is any government interference. **Bitcoin** is among the best known crypto currencies.

Technology

Libra is powered by a technology called **blockchain** which functions like an open ledger that gets updated in real time. Because data are encrypted, each transaction on a blockchain network is preserved, secure and anonymous.



Regulation

It will be controlled by the **Libra Association**, a Geneva-based non-profit entity that has over two dozen founding partners, including Facebook, Visa, Master card, Uber and the Vodafone group.

The Wallet

Libras will be stored by **Calibra**, a digital wallet which will be built into Whats App and Messenger as well, to let users store and use **Libra coins**.

The Backup

Unlike typical blockchain "the Libra Blockchain" will save the history of transactions. A new programming language "Move" is being built to maintain privacy & security.

OBJECTIVES

Aims at **financial inclusion on a global scale**, it is to enable **a simple global currency** and **financial infrastructure** that empowers "billions" who has mobile phones and Internet access yet are still out side the organised financial system in the world due to high fees, lack of access, and absence of documentation (*as per the white paper released by the Libra Association*).

LIBRA vs BITCOIN

Both based on **block chain technology**, but Libra doesn't use controversial proof of work algorithm to power the network.

Libra is governed by an independent team based in Geneva unlike the heavily **decentralized approach of bitcoin**.

Bitcoin remains one of the most volatile currencies, whereas value of **Libra** can't be speculated because of the **reserve of real assets** that includes bank deposits, securities and fiat currencies (like dollar, pound).

Libra aims to ensure a **sustainable framework** collaborating with the existing financial sector, including regulators.

POTENTIALS

Simple and safe transactions without any transaction fees; sending money globally like sending a text message.

Access to a billion **"unbanked"** people around the world to financial services irrespective of whereabouts, profession and financial status.

Potential to bring crypto-money out of the shadows and into the mainstream.

APPREHENSIONS

Privacy concerns, money laundering and terrorism finance.

Face book could become a **"shadow bank"**.

Apprehensions of a shift of power from central banks to wards multinational corporations.

CRYPTO CURRENCY IN INDIA

Crypto currency is **illegal in India** and a matter regarding regulation of Bitcoin in India is pending in the Supreme Court of India.

