

Digital currencies**Facebook's Libra currency to launch next year in limited format**

Long-awaited project to arrive as soon as January, with just one dollar-backed coin



Libra's exact launch date will depend on when the project receives approval to operate as a payments service © FT montage/Reuters/AFP

Hannah Murphy in San Francisco NOVEMBER 27 2020

The long-awaited Facebook-led digital currency Libra is preparing to launch as early as January, according to three people involved in the initiative, but in an even more limited format than its already downgraded vision.

The 27-strong Libra Association said in April that it had planned to launch [digital](#) versions of several currencies, plus a “digital composite” of all of its coins. This followed concerns from regulators over its initial plan to create one synthetic coin backed by a basket of currencies.

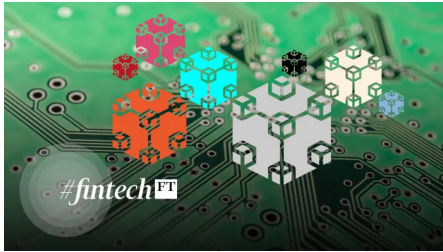
However, the association would now initially just launch a single coin backed one-for-one by the dollar, one of the people said. The other currencies and the composite would be rolled out at a later point, the person added.

Libra's exact launch date would depend on when the project receives approval to operate as a payments service from the Swiss Financial Market Supervisory Authority, but could come as early as January, the three people said. Finma said it would not comment on Libra's application, which was initiated in May.

First launched in June 2019, the [scaling down of Libra's vision](#) comes as it has received a sceptical reception from global regulators, who have warned that it could threaten monetary stability and become a hotbed for money laundering.

While the restricted scope may appease wary regulators, critics have complained that a move to single-currency coins could hit users looking to convert currencies with additional costs, undermining its ambition to enable greater financial inclusion.

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Originally launched by Facebook executives, Libra suffered a difficult birth when a wave of its founding members — including PayPal, Mastercard, Vodafone and eBay — quit over in late 2019 and early 2020 and distanced themselves from the controversial project.

The association then announced in April that it was overhauling its vision to address regulators' worries, limiting its scope and promising extra measures to police its system for abuse.

Libra had also come under fire for its close association with the social media network, which has faced multiple privacy scandals.

But several Libra members said that they believed the appointment of HSBC legal chief and former George W Bush-era terrorism finance tsar Stuart Levey in May as its first chief executive marked a turning point for the project, as it sought to cast itself as independent from Facebook.

Since then, a handful of members have been racing to build and test their own products to launch on top of the digital currency network when it goes live.

Among them is Novi, the Facebook subsidiary rebranded from Calibra that has been creating a digital wallet to allow Facebook users to hold the Libra currency.

One person involved in Novi said that the wallet was “ready from a product perspective”, but would not be rolled out everywhere initially, with the company prioritising “half a dozen high-volume remittance corridors” including the US and some Latin American countries.

Novi needed its own licence in each US state, the person said, adding that it had been granted many of these but was still waiting on “as many as 10” — including a New York Bitlicense.

It remains unclear how some of the major members of the consortium — such as Uber and Spotify — plan to wield the currency, with some telling the Financial Times that they would wait to see how it was received after its launch, before investing in use cases.

The news comes as Bitcoin, the original cryptocurrency, [rallied to record highs](#) of close to \$20,000 this week, amid rising interest in digital currencies from professional investors and central banks, and as the [coronavirus pandemic](#) has quickened a shift from cash towards digital payments.

Meanwhile, PayPal, which was the first founding member to drop out of the Libra initiative, announced last month that it would launch support for cryptocurrencies, including at the checkout, with Dan Schulman, chief executive, calling the shift to digital forms of currencies “inevitable”.

The Libra Association and Novi declined to comment.

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