Paypal withdraws from Proposed Facebook Libra crypto project



Crypto

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In a company statement, PayPal said it would forgo any further participation in the group, saying that it intended to focus instead on its core businesses. *“We remain supportive of Libra’s aspirations and look forward to continued dialogue on ways to work together in the future,”* the company said in a statement.

The Wall Street Journal reported that both Mastercard and Visa were also considering leaving the project, citing money laundering concerns.

U.S. Federal Reserve Chairman Jerome Powell has stated that *“Facebook’s plan to build a digital currency cannot go forward until serious concerns are addressed”*.

Marcus Treacher, Ripple’s SVP of customer success, stated that a big problem with the social network’s Libra project is that it’s a “*walled garden*” – in other words, a closed system. This term has been applied to tech companies like Facebook and Apple, in relation to the control they have over their software and apps.

Facebook’s proposed Libra token will be managed by a Switzerland-based organisation known as the **Libra Association**, whose current members include Visa and Uber.

The coin would be tied to user deposits in currencies like the dollar and held in a digital vault known as the Libra Reserve.