

**Question for written answer Z-000040/2019
to the European Central Bank**

Rule 140

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Subject: The case of the Libra cryptocurrency

The Libra case has brought to the fore discussions about the optimal use of cryptocurrencies in the economy and their impact on the monetary policies of the central banks. Many of the major central banks have adopted a defensive attitude towards cryptocurrencies, refusing to acknowledge the changing nature of money.

Unlike other forms of digital money, cryptographic currencies have such technological capabilities as to be encoded in smart contracts needed for any internet of things (IoT) environment in which machines transact with one another and exchange value. On a wider scale, IoT and smart contracts are the cornerstone of every smart cities project.

As a result, the traditional concepts of liquidity are rapidly becoming obsolete, as a monetary base decided by the central banks will soon no longer match up to the actual needs of the economy or the exchange of value in tokenised settings. Cryptocurrencies are also more effective for fighting money laundering and illicit transactions than 200-euro bills.

The President of the ECB is kindly asked:

Is the ECB ready to reconsider its defensive stance on cryptocurrencies and embrace a more technologically relevant understanding of money and liquidity?

Is the ECB ready to discuss the creation of a crypto-Euro?