



**Note to readers:** This report has been modified to incorporate updates to the Libra payment system as found in the White Paper v2.0.

# Commitment to Compliance and Consumer Protection

The development by civil society and the private sector of a blockchain-based global payment system and financial infrastructure is a massive undertaking. The success of this venture depends on its trusted and safe integration with the existing financial system. The world's governments, specifically regulatory and law enforcement authorities, are essential partners in this endeavor.

The Libra Association intends to work with policymakers as the network is developed and operationalized and as regulations adapt to address innovation and other changes in the market.

The Association recognizes the importance of privacy on the public blockchain — but also the risks of misuse. The Association itself is not involved in processing transactions and does not store any personal data of Libra network users, other than for the purposes of complying with applicable anti-money laundering (AML), Countering the Financing of Terrorism (CFT), and sanctions laws.

## A Commitment to Engagement

- We welcome public inquiry and accountability.
- We are committed to a dialogue with regulators and policymakers.
- We share policymakers' interest in the ongoing stability of national currencies, in safe and stable banking systems, in strong consumer protections, and in the provision of financial services to all people.

## Libra and Financial System Regulation

The Association will consult closely and regularly with sovereign governments, as well as with multilateral institutions, to support the understanding of this new network. The Association believes in preserving and strengthening the ability of governments to conduct monetary policy and is committed to working with regulatory authorities to achieve a safe, transparent, and consumer-friendly implementation of Libra project-compatible products and services. The Association will be governed and constrained by a Reserve management approach that will ensure the safety and soundness of the network.

## **Libra and Consumer Financial Protection**

Consumers of financial services and products can be vulnerable. There is a commitment to strong consumer protection in the Libra network, and the Association recognizes that regulators charged with consumer protection will be keen to engage with those building services to be offered in their jurisdictions. In the early development of the Libra network, its Members are committed to working with authorities to shape a regulatory environment that encourages technological innovation while maintaining the highest standards of consumer protection.

## **Libra and Consumer Privacy Protection**

The Association is committed to compliance with global privacy regulation and to working with regulators and policymakers to shape a regulatory environment that promotes privacy and blockchain technology. Individuals or organizations will operate on the Libra Blockchain through user accounts, which are dissociated from their real-world identity. Authentication occurs through public keys used on the network, which does not give any information regarding the user's personal data. Only data relevant to each transaction, such as the public address of the sender and receiver, the timestamp, and the transaction amount, are recorded and publicly visible. The only end-user data that the Association would be able to access on the blockchain is the same data that would be visible to anyone (i.e., public wallet addresses, the time stamp of the transaction, the amount of Libra Coins transferred, and certain compliance certifications). The Association anticipates that it will collect information from Association Members and other persons with whom it has a contractual relationship with, for the purposes of complying with applicable AML, CFT, and sanctions laws.

## **Libra and Law Enforcement**

As with any currency or financial infrastructure, bad actors will try to exploit the network. While the network is open and accessible to everyone with internet access, the network's main endpoints, in the form of exchanges and wallets, will need to follow applicable laws and regulations and collaborate with law enforcement. In addition, transactions on the blockchain will be in clear text, like many other blockchains, so it is possible for third parties to do analysis to detect and penalize fraud.

