Technological developments – crypto-assets

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Rubric

From July FSB report to G20.

Technological developments – crypto-assets

- Not used as money (and clearly not a currency)
- Never a threat to monetary policy and financial stability

Evolution of crypto-asset market

Closing price and market capitalisation

Price volatility

Monthly average of daily transactions

1 Ninety-day moving standard deviation of daily returns. 2 Total estimated value of transactions on the Bitcoin Blockchain, in USD value.

What is new in crypto-assets?

- Definition of crypto-assets is not agreed globally
- Distributed *bookkeeping* (e.g. DLT) is a common element
- ECB staff stresses the absence of any liable party
  - No liable issuer (no claim/ownership right)
- Some assets issued via ICOs have liable issuer
  - Same risk same regulation approach
  - Technological neutrality
Regulatory issues

• Crypto-assets have global regulatory dimension
  – How to control risks? (e.g. gatekeepers in AMLD5)
  – International coordination to avoid arbitrage (FSB, CPMI, IOSCO)
  – Monitoring requires reliable data sources across jurisdictions

• Ongoing investigations on if and how underlying technology might be used to record payments and financial instruments
  – Need for consistent legal framework in the EU (transposition of EU Directives) and beyond
  – Current regulation is tailored on a centralised financial market architecture
Thank you!

Questions?