Since its launch on June 18, 2019, Facebook’s Libra project has encountered mixed
reactions. Now, four payment companies that had joined the social media giant as founding members of the Libra Association are hesitant. They have developed cold foot over whether to formally sign on to the crypto project. The issue was explained by people familiar with the matter.

According to a new Bloomberg report, MasterCard, Visa, Stripe, and PayPal are allegedly stalling at officially joining the Facebook-led Libra project. Notably, all these companies are major participants in the traditional movement, transaction, and transmission of money. They operate in the regulated financial markets.

The four global payments companies strive to maintain positive relationships with regulators. These regulators have so far expressed serious reservations about Libra. Most regulators are critical to the successful management and operation of money transmission and payments businesses. Data from The Nilson Report shows that Visa and MasterCard are the No. 2 and 3 general-purpose payment card networks globally.

Executives at these payment companies think that Facebook oversold the extent to which watchdogs and regulators were comfortable with the project. These regulators are now concerned about the perception that the social media company has not behaved responsibly in other areas like how it handled user data and privacy.

Regulations

Up to now, Facebook’s Libra project has attracted intensive attention from governments and banks worldwide. The executives believe that Facebook went overboard in their level of support and comfort displayed by regulators worldwide. Since its launch, Libra has encountered opposition from all ends from Maxine Waters in the US to finance ministers in France and Germany.

The hesitation from these companies comes amidst Facebook’s plans to elevate the non-binding support shown by Libra Association members in June to a more formal commitment. Although the commitment will not need members to pay $10 million Libra project investment, it is reportedly facing hiccups.

Facebook is undisturbed and it still strives to ensure that the official signing of the Libra Association’s charter will take place on October 14 in Switzerland as scheduled. The company chose Switzerland as the headquarters of the non-profit Association mandated to manage the Libra monetary policy and payments network.

In the meantime, Libra’s technology development is moving along faster than expected. Calibra (Facebook’s digital wallet product) and four other Libra Association members are conducting tests. They are using a test network of nodes and sending test transactions.

The Libra project remains in a fog of indecision despite the technical progress. Libra organization members are rethinking their commitments amidst the unexpected, monumental regulatory pushback.

Previous reports have revealed that the People’s Bank of China (PBOC) is worried about the dollar’s influence on Libra. Additionally, Japan is also investigating this cryptocurrency. Simultaneously, a board member of the European Central Bank thinks that Libra may undermine the monetary policy.

What Next?

Members of the Libra Association are expected to meet on October 3 in Washington
DC to discuss the way forward. However, it is not yet clear what this meeting will entail. The confusion arises since the same members are scheduled to discuss Libra’s charter in mid-October.

The Facebook blockchain lead who is also a co-creator of the Libra project, **David Marcus**, went on a Twitter tirade to defend the crypto project. He explained that Facebook is calmly and confidently working to solve all legitimate concerns that Libra introduced by bringing the conversations about the benefits of digital currencies to the limelight. He wrote:

![Twitter thread by David Marcus](https://twitter.com/davidmarcus/status/117...)

With all this talk of regulation and multiple partners fading into the background, Facebook’s plans could be considerably delayed.

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