

Crypto-assets Do Not Pose a Material Risk to Global Financial Stability

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The Financial Stability Board (FSB) noted in a recently published report:

Based on the available information, ***crypto-assets do not pose a material risk to global financial stability at this time***. However, vigilant monitoring is needed in light of the speed of market developments ...

The report includes an assessment of the risks present in crypto-assets and their markets, such as low liquidity, the use of leverage, market risks from volatility, and operational risks. The FSB noted that crypto-assets raise several policy issues including: the need for consumer and investor protection; strong market integrity protocols; anti-money laundering and combating the financing of terrorism (AML/CFT); regulatory measures to prevent tax evasion; the need to avoid circumvention of capital controls; and ***concerns relating to the facilitation of illegal securities offerings***.

The FSB is an international body that monitors and makes recommendations about the global financial system.

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