

# Coinbase Legal Chief Calls for Unregulated Digital Dollar Development

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[/EINPresswire.com/](https://www.einpresswire.com/) -- A large global power is in the process of releasing its own digital currency. The global power, China, is releasing a central bank digital currency. It would be the first country to launch a digital currency and implement it into the system.

The move would undoubtedly mean a lot in the current technology race. A notable fact is that the United States, another dominant superpower, has not made any moves to deploy their sole digital currency, a digital dollar.

A representative of Coinbase is pushing for unregulated digital dollar development. The representative of Coinbase would not be the first individual to suggest such an action in these markets. Anthony Pompliano of Morgan Creek Digital regularly mentions the need for the digitization of the dollar. Jeremy Allaire, CEO of Circle also notes that the CBDC could make way for yuan to become a reserve and international currency.



## A Potential U.S. Digital Currency?

In a world where the U.S. government is taking issue with the idea of a corporate cryptocurrency, Coinbase's legal chief is calling for an unregulated stablecoin.

In a recent essay in Fortune, Brian Brooks called for the government to allow an environment where the private sector could develop, distribute and manage a dollar-backed cryptocurrency.

According to Brooks, opening doors for the private sector to develop a USD-based digital dollar will allow the currency to develop digitally with the help of latest infrastructure and technology. But the legal expert did not stop his suggestions there. He went on to push for minimal government involvement and restriction on this stablecoin

This is a big ask, since government officials are not taking too kindly to Facebook's Libra cryptocurrency. Due to the implications that a corporate controlled global cryptocurrency can have on the federal reserve, everyone from financial heads to legislators are against the idea of Facebook launching the cryptocurrency or getting the necessary regulatory approvals to do so.

This was made clear at a recent House Financial Services Committee hearing, where Facebook CEO Mark Zuckerberg testified in support for regulatory approval of Libra, only to end up being grilled regarding a host of other problematic issues that have made Facebook a less than ideal entity to control a global cryptocurrency.

But Brooks is intent on the U.S. government not taking such an aggressive approach towards a dollar-backed cryptocurrency.

## A Stablecoin is Different Than a Corporate Cryptocurrency

Brooks' argument in support of this suggestion hails from the difference between Facebook's Libra cryptocurrency and a stablecoin that is backed by the value of the fiat currency.

Even with the support of a corporate entity, a cryptocurrency is highly volatile. It has a fluctuating value, and it remains completely out of the financial environment that is controlled by the federal reserve.

Conversely, a stablecoin that is backed by the U.S. dollar has its value pegged on the fiat currency itself. It is just as volatile as the conventional market itself. And its day to day operations are based upon the financial network that is created and controlled by the federal reserve.

Where Facebook' Libra has large scale corporations such as Uber, Spotify, and Coinbase backing its operations, a stablecoin, as proposed, will largely have the default support of the U.S. dollar and the financial authorities behind it.

These basic yet crucial differences open doors for a different approach towards the idea of a stablecoin that flourishes under unrestricted technology.

## Coinbase Has a Stake in Both Ideas

As mentioned above, Coinbase is one of the entities that are a part of the Libra Association, which is Facebook's governing body for its ambitious cryptocurrency. Coinbase was also one of those companies that chose to associate with Libra even when many of its original partners such as Visa, MasterCard, and PayPal decided to bail on the project.

But Coinbase also has a stake in a functioning stablecoin by the name of USDC, which is a result of its collaboration with Circle.

It makes sense that these cryptocurrency institutions are calling for deregulation and the need for such an implementation. Cryptocurrency institutions such as Coinbase, Circle, and others seek to step into the new world of banking and establish themselves as critical entities for the long haul.

## Innovators to Entrenchment

Coinbase raised funds to operate since 2012. The firm raised around \$600,000 and then went on to raise \$5,000,000 in 2013. The fledgling crypto entity would go on to raise \$25,000,000 in December 2013, \$75,000,000 in 2015, and 100,000,000 in September 2017. Of course, it would go on to raise \$300 million in 2018 amidst a cryptocurrency market slump and continue to operate. Being an exchange at this current time takes great perseverance and due diligence. Exchanges must learn to not only improve and refine core operations, but they must also go and diversify revenue streams.

Exchanges such as Coinbase which came about earlier must find ways to stay relevant while rolling out further products and services which will allow them to stay within a certain level.

Raising further rounds make it to where Coinbase must take the necessary actions to establish itself for the long haul. Each investment firm and investor expect to see a gradual rise and appreciation of their investment. Leading the way forward to help bring about the digitized version of the US Dollar should bring about added advantages and staying power for Coinbase.

The bet is that if the private sector takes the actions and helps to bring these solutions to the public on a wide scale with the blessing of the US Government, then that would help to establish the presence and need for such entities.

## The Federal Reserve Response

The government of the United States has not commented on the matter or has not pledged support for any actions of this kind as of yet. Technology is integrating further into money and digital currencies are likely to be present.

## The ZB Take

Technology will become a critical part of the world each day. Digital assets will be present moving forward as they have staying power as an alternative asset class. The question now for different governments is how they will choose to adopt technologies like the blockchain. Will they do so in a permissioned manner, or will they do so with more transparency? Each government will adopt the technology and tailor to their needs and doctrines. For now, China is the only major nation working to deploy a central bank oriented digital currency. Many suspect that this will be the start of further adoption by other nations.

## About ZB Group

ZB Group was founded in 2012 with the goal of providing leadership to the blockchain development space and today manages a network that includes digital assets exchanges, wallets, capital ventures, research institutes, and media. The Group's flagship platform is ZB.com, the industry leading digital asset exchange. The platform launched in early 2013 and boasts one of the world's largest trading communities.

ZB Group also includes ZBG the innovative crypto trading platform, and BW.com, the world's first mining-pool based exchange. Other holdings include wallet leader BitBank, as well as exchange brands ZBM, ZBX and Korea's Bithi.

Industry intelligence and standards are headed by the recently launched ZB Nexus who embody the core values of ZB Group and open source their reports and analysis for the public.

Learn more about ZB Exchange by visiting [www.zb.com](http://www.zb.com)

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