



US Federal Reserve Governor Waller Favors Stablecoins Over Central Bank Digital Currency

Christopher J. Waller, a Governor of the US Federal Reserve, advocated for stablecoins -- cryptocurrency pegged to fiat money -- during a virtual speech to the American Enterprise Institute on Thursday.

Waller also expressed the view that, in the US, a central bank digital currency would be tantamount to a “solution in search of a problem.” Waller said that he is not convinced that a central bank digital currency “would solve any existing problem that is not being addressed more promptly and efficiently by other initiatives” in the financial markets.

A stablecoin, Waller said, “could serve as an attractive payment instrument if it is pegged one-to-one to the dollar and is backed by a safe and liquid pool of assets.” But, he said, “there are many legal, regulatory, and policy issues that need to be resolved before stablecoins can safely proliferate.”