

Libra cryptocurrency project changes name to Diem to distance itself from Facebook

The Libra cryptocurrency is getting a new name today, Diem, in an effort to show that the project has “organizational independence” as it attempts to get regulatory approvals for launch. The project initially received widespread pushback in part because it emerged out of Facebook and in part because its ambitious aims seemed to threaten traditional government-run financial systems. The independent organization that runs the project, the Libra Association, will now be known as the Diem Association, and *Bloomberg* reports that its currency will be called the Diem Dollar.

Diem, as it is now known, has shrunk significantly in scope since it was first announced. Major launch partners pulled support in quick succession last year because of its controversial nature and the regulatory hurdles it faced due to concerns from lawmakers. At a House Financial Service Committee hearing last year, Congress members expressed significant distrust of Facebook as they questioned company CEO Mark Zuckerberg about the project’s goals.

Diem is supposed to offer “instantaneous, low-cost, highly secure transactions”

The project is now rumored to launch in a much more limited form. According to the *Financial Times*, the cryptocurrency could debut as a single coin backed by the dollar, with an initial launch as early as January 2021. Libra was initially meant to be a single coin pegged to multiple currencies for stability that could be traded in place of them; it was later changed to also offer multiple coins that would each be backed

by a different currency. Those coins would be “a complement to, not a replacement for, domestic currencies,” the organization wrote in April.

“The Diem project will provide a simple platform for fintech innovation to thrive and enable consumers and businesses to conduct instantaneous, low-cost, highly secure transactions,” Stuart Levey, Diem Association CEO, said in a press release today.

Facebook initially pitched Libra as, essentially, a mainstream cryptocurrency that could be spent online or offline, much like the dollar. It was meant to make digitally transferring money quicker and easier than it is today, and companies like Facebook would be able to offer financial services around it. Facebook initially announced plans for a digital wallet, called Calibra, that could offer these services, with the company positioning Calibra as its means for turning its investment in the project into a potential moneymaker. The wallet app has since been renamed Novi.

The whole thing was, frankly, fairly dense, and it's been hard to tell how much if any of it would pan out in reality. Fears that it would pan out have clearly been effective in neutralizing some of the group's aims, though. It's not entirely clear what Diem will launch, whenever it does launch, but the group is trying to make it sound less menacing than the Facebook-controlled dollar replacement many initially saw it as.

Update December 1st, 11:05AM ET: This story has been updated to mention the “Diem Dollar” branding.

<https://www.theverge.com/2020/12/1/21755078/libra-diem-name-change-cryptocurrency-facebook>