

# Lael Brainard says special regulations should be adopted for digital currencies.

Digital currencies - In a Friday speech at the Bank of England Conference in London, The Federal Reserve vice chair stated that it is necessary to adopt special regulations for digital currencies as many investors suffered significant losses in recent weeks. Lael Brainard believes that the [cryptocurrency](#) market is not big enough to pose a significant systemic risk to the traditional financial system. However, she added that it's time to emphasize that the crypto industry has its own special rules. We are carefully analyzing recent events in the crypto industry that have taken a heavy toll on many investors”, Brainard said. The crypto financial system is not yet large enough or connected to the traditional financial system to cause systemic risk despite the fact that investors suffered significant losses. She also noted that new technology and financial engineering cannot turn risky assets into safe ones” and that crypto is subject to similar risks in the traditional finance world. Brainard`s ideas are in line with those of the Bank of England, as the [UK central bank](#) announced that the devaluation of the crypto market would require stronger enforcement and regulation. **Source:** The Pipsafe Team