

Union Calendar No. 409

118TH CONGRESS
2^D SESSION

H. R. 5403

[Report No. 118–493]

To amend the Federal Reserve Act to prohibit the Federal reserve banks from offering certain products or services directly to an individual, to prohibit the use of central bank digital currency for monetary policy, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 12, 2023

Mr. EMMER (for himself, Mr. BACON, Mr. BIGGS, Mr. BOST, Mr. BRECHEEN, Mr. CLOUD, Mr. DAVIDSON, Mr. DONALDS, Mr. DUNCAN, Mr. FALLON, Mr. FITZGERALD, Mr. FLOOD, Mr. SCOTT FRANKLIN of Florida, Mr. GOSAR, Ms. GREENE of Georgia, Mr. GROTHMAN, Mr. HERN, Mr. HILL, Mr. JACKSON of Texas, Mr. KEAN of New Jersey, Mr. KILEY, Mrs. KIM of California, Mr. LATURNER, Mrs. LESKO, Ms. LETLOW, Mr. LOUDERMILK, Mrs. LUNA, Ms. MACE, Mr. MEUSER, Mrs. MILLER of Illinois, Mr. MILLS, Mr. NORMAN, Mr. PFLUGER, Mr. POSEY, Mr. RESCENTIALER, Mr. ROGERS of Alabama, Mr. ROUZER, Mr. AUSTIN SCOTT of Georgia, Mr. SELF, Mr. SESSIONS, Mr. SMITH of New Jersey, Mr. STEIL, Mr. TIMMONS, Mr. VALADAO, Mr. VAN DREW, Mr. WEBER of Texas, Mr. YAKYM, Mr. OGLES, Mr. LAWLER, Mrs. WAGNER, Mrs. HOUCHIN, Ms. HAGEMAN, and Mr. BARR) introduced the following bill; which was referred to the Committee on Financial Services

MAY 7, 2024

Additional sponsors: Mr. GREEN of Tennessee, Mr. BABIN, Mr. BURLISON, Mr. LANGWORTHY, Mrs. CHAVEZ-DEREMER, Mr. WILLIAMS of Texas, Mr. FERGUSON, Mr. HUIZENGA, Mr. CRAWFORD, Mr. EDWARDS, Mr. GUTHRIE, Mr. CALVERT, Mr. DUNN of Florida, Ms. DE LA CRUZ, Mr. CLINE, Mr. WILLIAMS of New York, Mr. KUSTOFF, Mr. GOODEN of Texas, Mr. FINSTAD, Mr. WENSTRUP, Mrs. FISCHBACH, Mr. MOORE of Alabama, Mr. NEHLS, Mr. ALFORD, Mr. BEAN of Florida, Mr. BUCSHON, Mr. CARL, Mr. AMODEL, Mr. GRAVES of Missouri, Mrs. HARSHBARGER, Mr. CRANE, Mr. CISCOMANI, Mr. HUNT, Mr. EZELL, Mr. BAIRD, Mrs. MILLER of West Virginia, Mr. KELLY of Mississippi, Mr. BILIRAKIS, Mr.

GUEST, Mr. CURTIS, Mr. WESTERMAN, Mr. LUETKEMEYER, Mr. LAHOOD, Mr. GARBARINO, Mr. CARTER of Georgia, Mr. ROSE, Mr. BISHOP of North Carolina, Mrs. CAMMACK, Mr. FLEISCHMANN, Mr. MURPHY, Mr. DESJARLAIS, Mr. MOOLENAAR, Mr. MOONEY, Mr. D'ESPOSITO, Mrs. BICE, Mr. FRY, Mr. BANKS, Mr. CARTER of Texas, Mr. STEUBE, Mr. COLE, Mr. STRONG, Mr. MORAN, Mr. ROSENDALE, Mr. JOHNSON of South Dakota, Ms. GRANGER, Mr. CLYDE, Ms. LEE of Florida, Mr. FEENSTRA, Mr. ARMSTRONG, Mr. GOOD of Virginia, Mr. WALTZ, Mr. TONY GONZALES of Texas, Mrs. RODGERS of Washington, Mr. LUCAS, Mr. MANN, Mr. TIFFANY, Mr. BERGMAN, Ms. VAN DUYN, Mr. COLLINS, Mr. BURGESS, Mr. KELLY of Pennsylvania, Mr. LAMBORN, Mr. LATTI, Mr. DUARTE, Mr. CRENSHAW, Mr. NUNN of Iowa, Mr. ELLZEY, Mr. HUDSON, Mrs. MCCLAIN, Mr. ISSA, Mr. STAUBER, Mr. ARRINGTON, Mr. WOMACK, Mr. OWENS, Mr. VAN ORDEN, Mr. PERRY, Mr. MAST, Mr. GIMENEZ, Mr. ZINKE, Mr. HIGGINS of Louisiana, Mr. ADERHOLT, Mrs. MILLER-MEEKS, Mrs. HINSON, Mr. BALDERSON, Mr. MCCORMICK, Mr. CAREY, Mr. WITTMAN, Mr. PENCE, Ms. MALOY, Mr. MCCLINTOCK, Mr. ROY, Mr. MCCAUL, and Mr. DIAZ-BALART

MAY 7, 2024

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italic*]

[For text of introduced bill, see copy of bill as introduced on September 12, 2023]

A BILL

To amend the Federal Reserve Act to prohibit the Federal reserve banks from offering certain products or services directly to an individual, to prohibit the use of central bank digital currency for monetary policy, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 *This Act may be cited as the “CBDC Anti-Surveillance*
5 *State Act”.*

6 **SEC. 2. PROHIBITION ON FEDERAL RESERVE BANKS RELAT-**
7 **ING TO CERTAIN PRODUCTS OR SERVICES**
8 **FOR INDIVIDUALS AND PROHIBITION ON DI-**
9 **RECTLY ISSUING A CENTRAL BANK DIGITAL**
10 **CURRENCY.**

11 *Section 16 of the Federal Reserve Act is amended by*
12 *adding at the end the following new paragraph:*

13 *“(18) A Federal reserve bank shall not—*

14 *“(A) offer products or services directly to an*
15 *individual;*

16 *“(B) maintain an account on behalf of an*
17 *individual; or*

18 *“(C) issue a central bank digital currency,*
19 *or any digital asset that is substantially similar*
20 *under any other name or label, directly to an in-*
21 *dividual.”.*

1 **SEC. 3. PROHIBITION ON FEDERAL RESERVE BANKS INDI-**
2 **RECTLY ISSUING A CENTRAL BANK DIGITAL**
3 **CURRENCY.**

4 *Section 16 of the Federal Reserve Act, as amended by*
5 *section 2, is further amended by adding at the end the fol-*
6 *lowing new paragraph:*

7 *“(19)(A) A Federal reserve bank shall not offer*
8 *a central bank digital currency, or any digital asset*
9 *that is substantially similar under any other name or*
10 *label, indirectly to an individual through a financial*
11 *institution or other intermediary.*

12 *“(B) Subparagraph (A) may not be construed to*
13 *prohibit any dollar-denominated currency that is*
14 *open, permissionless, and private, and fully preserves*
15 *the privacy protections of United States coins and*
16 *physical currency.”.*

17 **SEC. 4. PROHIBITION ON THE USE OF CENTRAL BANK DIG-**
18 **ITAL CURRENCY FOR MONETARY POLICY.**

19 *Section 16 of the Federal Reserve Act, as amended by*
20 *section 3, is further amended by adding at the end the fol-*
21 *lowing new paragraph:*

22 *“(20) PROHIBITION ON THE USE OF CENTRAL*
23 *BANK DIGITAL CURRENCY FOR MONETARY POLICY.—*
24 *The Board of Governors of the Federal Reserve Sys-*
25 *tem and the Federal Open Market Committee shall*
26 *not use any central bank digital currency, or any*

1 *digital asset that is substantially similar under any*
2 *other name or label, to implement monetary policy.”.*

3 **SEC. 5. CENTRAL BANK DIGITAL CURRENCY.**

4 *(a) IN GENERAL.—The Federal Reserve Act (12 U.S.C.*
5 *221 et seq.) is amended by inserting after section 16 the*
6 *following:*

7 **“SEC. 16A. CENTRAL BANK DIGITAL CURRENCY.**

8 *“(a) IN GENERAL.—The Board of Governors of the*
9 *Federal Reserve System may not, absent Congressional au-*
10 *thorization, issue a central bank digital currency.*

11 *“(b) CENTRAL BANK DIGITAL CURRENCY DEFINED.—*
12 *In this section, the term ‘central bank digital currency’*
13 *means a form of digital money or monetary value, denomi-*
14 *nated in the national unit of account, that is a direct liabil-*
15 *ity of the Federal Reserve System.”.*

16 *(b) TREASURY.—Chapter 3 of subtitle I of title 31 of*
17 *the United States Code is amended by inserting after sec-*
18 *tion 316 the following:*

19 **“SEC. 317. CENTRAL BANK DIGITAL CURRENCY.**

20 *“(a) IN GENERAL.—The Secretary of the Treasury*
21 *may not, absent Congressional authorization, direct the*
22 *Board of Governors of the Federal Reserve System to issue*
23 *a central bank digital currency.*

24 *“(b) CENTRAL BANK DIGITAL CURRENCY DEFINED.—*
25 *In this section, the term ‘central bank digital currency’*

1 *means a form of digital money or monetary value, denomi-*
2 *nated in the national unit of account, that is a direct liabil-*
3 *ity of the central bank.”.*

4 **SEC. 6. PROTECTION FOR OPEN, PERMISSIONLESS, AND**
5 **PRIVATE CURRENCY.**

6 *This Act and the amendments made by this Act shall*
7 *not apply to any dollar-denominated currency that is open,*
8 *permissionless, and private, and fully preserves the privacy*
9 *protections of United States coins and physical currency.”*

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