

118TH CONGRESS
1ST SESSION

H. R. 5032

To amend the Federal Reserve Act to prohibit the issuance of a central bank digital currency, to prohibit Federal reserve banks from offering certain products or services, to prohibit holding or owning central bank digital currencies of any country, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 27, 2023

Mr. OGLES (for himself, Mr. BISHOP of North Carolina, Mr. DONALDS, and Mr. GOSAR) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To amend the Federal Reserve Act to prohibit the issuance of a central bank digital currency, to prohibit Federal reserve banks from offering certain products or services, to prohibit holding or owning central bank digital currencies of any country, 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 “Cease Orwellian Sur-
5 veillance and Targeting Act of 2023” or the “COST Act
6 of 2023”.

1 **SEC. 2. PROHIBITION ON ISSUING A CENTRAL BANK DIG-**
2 **ITAL CURRENCY OR OFFERING CERTAIN**
3 **PRODUCTS OR SERVICES.**

4 Section 13 of the Federal Reserve Act is amended
5 by adding at the end the following new paragraph:

6 “(15) PROHIBITION ON ISSUING A CENTRAL
7 BANK DIGITAL CURRENCY.—

8 “(A) IN GENERAL.—The Board of Gov-
9 ernors of the Federal Reserve System and the
10 Federal reserve banks may not mint or issue a
11 central bank digital currency.

12 “(B) CENTRAL BANK DIGITAL CURRENCY
13 DEFINED.—In this paragraph, the term ‘central
14 bank digital currency’ means a form of digital
15 money or monetary value, denominated in the
16 national unit of account, that is a direct liabil-
17 ity of the Board of Governors of the Federal
18 Reserve System or the central bank of a foreign
19 country.

20 “(16) PROHIBITION ON OFFER PRODUCTS OR
21 SERVICES, EITHER DIRECTLY OR INDIRECTLY
22 THROUGH AN INTERMEDIARY, TO AN INDIVIDUAL OR
23 ENTITY.—

24 “(A) IN GENERAL.—A Federal reserve
25 bank may not—

1 “(i) offer products or services to an
2 individual or entity, either directly or indi-
3 rectly through an intermediary;

4 “(ii) provide coins or currency directly
5 to an individual or entity; or

6 “(iii) maintain an account on behalf
7 of an individual or entity.

8 “(B) EXCEPTIONS.—Subparagraph (A)
9 shall not apply to—

10 “(i) a depository institution;

11 “(ii) an insured credit union;

12 “(iii) the Department of the Treasury;

13 “(iv) the Federal Home Loan Banks;

14 “(v) the Federal Home Loan Mort-
15 gage Corporation;

16 “(vi) the Federal National Mortgage
17 Association;

18 “(vii) the Government National Mort-
19 gage Association;

20 “(viii) a foreign correspondent or
21 agency, foreign bank or banker (including
22 a branch or agency of a foreign bank), or
23 foreign state;

24 “(ix) a financial market utility des-
25 ignated by the Financial Stability Over-

1 sight Council under section 804 of the
2 Payment, Clearing, and Settlement Super-
3 vision Act of 2010; or

4 “(x) the International Monetary Fund
5 or the Bank for Reconstruction and Devel-
6 opment.”.

7 **SEC. 3. PROHIBITION ON HOLDING OR OWNING CENTRAL**
8 **BANK DIGITAL CURRENCY.**

9 (a) **IN GENERAL.**—No person may hold or own cen-
10 tral bank digital currency of the United States or a foreign
11 country.

12 (b) **CENTRAL BANK DIGITAL CURRENCY DE-**
13 **FINED.**—In this section, the term “central bank digital
14 currency” has the meaning given that term under section
15 13(15)(B) of the Federal Reserve Act.

16 (c) **RULEMAKING.**—The Secretary of the Treasury
17 shall issue such rules as may be necessary to carry out
18 this section.

19 (d) **EFFECTIVE DATE.**—Subsection (a) shall take ef-
20 fect after the end of the 90-day period beginning on the
21 date of enactment of this Act.

○