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(Original Signature of Member)

118TH CONGRESS
1ST SESSION

H. R. _____

To prohibit money services businesses from engaging in any transaction that involves a central bank digital currency issued by the People's Republic of China, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. LUETKEMEYER introduced the following bill; which was referred to the Committee on _____

A BILL

To prohibit money services businesses from engaging in any transaction that involves a central bank digital currency issued by the People's Republic of China, 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 "Chinese CBDC Prohi-
5 bition Act of 2023".

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

1 (1) In 2021 testimony before the House Com-
2 mittee on Financial Services, Yaya Fanusie, Adjunct
3 Senior Fellow at the Center for a New American Se-
4 curity, noted that China is pushing aggressively to
5 become a global leader in financial technology, and
6 the People’s Republic of China is in a position to
7 launch the largest digital currency project of any
8 major economy. Additionally, the Chinese central
9 bank digital currency (CBDC) will provide the Chi-
10 nese Communist Party (CCP) with data on its users,
11 and bolster the CCP’s social credit program, ulti-
12 mately furthering the Party’s punitive control power
13 over Chinese citizens.

14 (2) On April 28, 2021, Federal Reserve Chair-
15 man Jerome Powell stated, “The [digital] currency
16 that is being used in China is not one that would
17 work here. It’s one that really allows the government
18 to see every payment for which it is used in real
19 time”.

20 (3) According to Sir Jeremy Fleming, Director
21 of the United Kingdom’s Government Communica-
22 tions Headquarters, “Control is also a major driver
23 for Beijing as it seeks to build a centralized digital
24 currency. Yes, it introduces efficiencies and new
25 ways of settling payments. But the way it’s being

1 implemented allows the monitoring of citizens and it
2 forces companies to use the service. It might, in fu-
3 ture, also enable China to partially evade the sorts
4 of international sanctions currently being applied to
5 Putin’s regime in Russia”.

6 **SEC. 3. MONEY SERVICES BUSINESSES.**

7 Subchapter II of chapter 53 of title 31, United States
8 Code, is amended by adding at the end the following:

9 **“§ 5337. Money Services Businesses**

10 “(a) TRANSACTIONS INVOLVING DIGITAL CURRENCY
11 OF THE PEOPLE’S REPUBLIC OF CHINA.—Each money
12 services business is prohibited from engaging in any trans-
13 action, directly or indirectly, that involves a central bank
14 digital currency issued by the People’s Republic of China.

15 “(b) DEFINITIONS.—The term ‘money services busi-
16 ness’ has the meaning given the term in section
17 1010.100(ff) of title 31, Code of Federal Regulations.”.