

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 5403
OFFERED BY MR. EMMER OF MINNESOTA**

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE.

2 This Act may be cited as the “CBDC Anti-Surveil-
3 lance State Act”.

**4 SEC. 2. PROHIBITION ON FEDERAL RESERVE BANKS RE-
5 LATING TO CERTAIN PRODUCTS OR SERV-
6 ICES FOR INDIVIDUALS AND PROHIBITION
7 ON DIRECTLY ISSUING A CENTRAL BANK DIG-
8 ITAL CURRENCY.**

9 Section 16 of the Federal Reserve Act is amended
10 by adding at the end the following new paragraph:

11 “(18) A Federal reserve bank shall not—

12 “(A) offer products or services directly to
13 an individual;

14 “(B) maintain an account on behalf of an
15 individual; or

16 “(C) issue a central bank digital currency,
17 or any digital asset that is substantially similar

1 under any other name or label, directly to an
2 individual.”.

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

6 Section 16 of the Federal Reserve Act, as amended
7 by section 2, is further amended by adding at the end the
8 following new paragraph:

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

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

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

21 Section 16 of the Federal Reserve Act, as amended
22 by section 3, is further amended by adding at the end the
23 following new paragraph:

24 “(20) PROHIBITION ON THE USE OF CENTRAL
25 BANK DIGITAL CURRENCY FOR MONETARY POL-

1 ICY.—The Board of Governors of the Federal Re-
2 serve System and the Federal Open Market Com-
3 mittee shall not use any central bank digital cur-
4 rency, or any digital asset that is substantially simi-
5 lar under any other name or label, to implement
6 monetary policy.”.

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

8 (a) IN GENERAL.—The Federal Reserve Act (12
9 U.S.C. 221 et seq.) is amended by inserting after section
10 16 the following:

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

12 “(a) IN GENERAL.—The Board of Governors of the
13 Federal Reserve System may not, absent Congressional
14 authorization, issue a central bank digital currency.

15 “(b) CENTRAL BANK DIGITAL CURRENCY DE-
16 FINED.—In this section, the term ‘central bank digital
17 currency’ means a form of digital money or monetary
18 value, denominated in the national unit of account, that
19 is a direct liability of the Federal Reserve System.”.

20 (b) TREASURY.—Chapter 3 of subtitle I of title 31
21 of the United States Code is amended by inserting after
22 section 316 the following:

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

24 “(a) IN GENERAL.—The Secretary of the Treasury
25 may not, absent Congressional authorization, direct the

1 Board of Governors of the Federal Reserve System to
2 issue a central bank digital currency.

3 “(b) CENTRAL BANK DIGITAL CURRENCY DE-
4 FINED.—In this section, the term ‘central bank digital
5 currency’ means a form of digital money or monetary
6 value, denominated in the national unit of account, that
7 is a direct liability of the central bank.”.

8 **SEC. 6. PROTECTION FOR OPEN, PERMISSIONLESS, AND**
9 **PRIVATE CURRENCY.**

10 This Act and the amendments made by this Act shall
11 not apply to any dollar-denominated currency that is open,
12 permissionless, and private, and fully preserves the privacy
13 protections of United States coins and physical currency.”

