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:

SECTION 1. SHORT TITLE.

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

SEC. 2. PROHIBITION ON FEDERAL RESERVE BANKS RELATING TO CERTAIN PRODUCTS OR SERVICES FOR INDIVIDUALS AND PROHIBITION ON DIRECTLY ISSUING A CENTRAL BANK DIGITAL CURRENCY.

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

“(18) A Federal reserve bank shall not—

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

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

“(C) issue a central bank digital currency, or any digital asset that is substantially similar
under any other name or label, directly to an individual.”

SEC. 3. PROHIBITION ON FEDERAL RESERVE BANKS INDIRECTLY ISSUING A CENTRAL BANK DIGITAL CURRENCY.

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

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

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

SEC. 4. PROHIBITION ON THE USE OF CENTRAL BANK DIGITAL CURRENCY FOR MONETARY POLICY.

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

“(20) Prohibition on the use of central bank digital currency for monetary pol-
ICY.—The Board of Governors of the Federal Reserve System and the Federal Open Market Committee shall not use any central bank digital currency, or any digital asset that is substantially similar under any other name or label, to implement monetary policy.”.

SEC. 5. CENTRAL BANK DIGITAL CURRENCY.

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

“SEC. 16A. CENTRAL BANK DIGITAL CURRENCY.

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

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

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

“SEC. 317. CENTRAL BANK DIGITAL CURRENCY.

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

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

SEC. 6. PROTECTION FOR OPEN, PERMISSIONLESS, AND
PRIVATE CURRENCY.

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