

**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.”

