

118TH CONGRESS  
2D SESSION

# H. R. 5403

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## AN ACT

To amend the Federal Reserve Act to prohibit the Federal reserve banks from offering certain products or services directly to an individual, to prohibit the use of central bank digital currency for monetary policy, 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,*

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  
18 under any other name or label, directly to an  
19 individual.”.

20 **SEC. 3. PROHIBITION ON FEDERAL RESERVE BANKS INDI-**  
21 **RECTLY ISSUING A CENTRAL BANK DIGITAL**  
22 **CURRENCY.**

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

1           “(19)(A) A Federal reserve bank shall not offer  
2           a central bank digital currency, or any digital asset  
3           that is substantially similar under any other name  
4           or label, indirectly to an individual through a finan-  
5           cial institution or other intermediary.

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

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

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

16           “(20) PROHIBITION ON THE USE OF CENTRAL  
17          BANK DIGITAL CURRENCY FOR MONETARY POL-  
18          ICY.—The Board of Governors of the Federal Re-  
19          serve System and the Federal Open Market Com-  
20          mittee shall not use any central bank digital cur-  
21          rency, or any digital asset that is substantially simi-  
22          lar under any other name or label, to implement  
23          monetary policy.”.

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

2 (a) IN GENERAL.—The Federal Reserve Act (12  
3 U.S.C. 221 et seq.) is amended by inserting after section  
4 16 the following:

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

6 “(a) IN GENERAL.—The Board of Governors of the  
7 Federal Reserve System may not, absent Congressional  
8 authorization, design, build, develop, establish, or issue a  
9 central bank digital currency.

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

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

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

19 “(a) IN GENERAL.—The Secretary of the Treasury  
20 may not, absent Congressional authorization, direct the  
21 Board of Governors of the Federal Reserve System to de-  
22 sign, build, develop, establish, or issue a central bank dig-  
23 ital currency.

24 “(b) CENTRAL BANK DIGITAL CURRENCY DE-  
25 FINED.—In this section, the term ‘central bank digital  
26 currency’ means a form of digital money or monetary

1 value, denominated in the national unit of account, that  
2 is a direct liability of the central bank.”.

3 **SEC. 6. PROTECTION FOR OPEN, PERMISSIONLESS, AND**  
4 **PRIVATE CURRENCY.**

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

9 **SEC. 7. SENSE OF CONGRESS.**

10 It is the sense of Congress that the Board of Gov-  
11 ernors of the Federal Reserve System should not be per-  
12 mitted to develop, create, or implement a central bank dig-  
13 ital currency, or use any such tool to implement monetary  
14 policy.

15 **SEC. 8. PROHIBITION ON CENTRAL BANK DIGITAL CUR-**  
16 **RENCY TESTING.**

17 Section 16A of the Federal Reserve Act, as added by  
18 section 5, is amended by adding at the end the following:

19 “(C) PROHIBITION ON CENTRAL BANK DIGITAL  
20 CURRENCY TESTING.—Unless authorized by an Act of  
21 Congress enacted after the date of the enactment of this  
22 Act, the Board of Governors of the Federal Reserve Sys-  
23 tem and the Federal reserve banks may not establish,  
24 carry out, or approve a program intended to test the prac-  
25 ticability of issuing a central bank digital currency, includ-

1 ing by partnering or coordinating with a private sector en-  
2 tity to carry out such a program.”.

Passed the House of Representatives May 23, 2024.

Attest:

*Clerk.*



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