

AMENDMENT TO H.R. 7148

OFFERED BY MR. CLOUD OF TEXAS

Add at the end the following:

DIVISION G—ANTI-CBDC SURVEILLANCE STATE ACT

SEC. 1. SHORT TITLE.

This division may be cited as the “Anti-CBDC 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 (12 U.S.C. 411 et seq.) is amended by adding at the end the following new paragraph:

“(18) (A) A Federal reserve bank may not—

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

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

“(iii) issue a central bank digital currency, or any digital asset that is substantially similar under any other name or label.

“(B) In this paragraph, the term ‘central bank digital currency’ has the meaning given that term under section 10(11)(D).”.

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

Section 16 of the Federal Reserve Act (12 U.S.C. 411 et seq.), as amended by section 2, is further amended by adding at the end the following paragraph:

“(19) (A) A Federal reserve bank may 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) In this paragraph, the term ‘central bank digital currency’ has the meaning given that term under section 10(11)(D).”.

SEC. 4. PROHIBITION WITH RESPECT TO CENTRAL BANK DIGITAL CURRENCY.

Section 10 of the Federal Reserve Act (12 U.S.C. 241 et seq.) is amended by inserting before paragraph (12) the following:

“(11) PROHIBITION WITH RESPECT TO CENTRAL BANK DIGITAL CURRENCY.—

“(A) IN GENERAL.—The Board of Governors of the Federal Reserve System may not test, study, develop, create, or implement a central bank digital currency, or any digital asset that is substantially similar under any other name or label.

“(B) MONETARY POLICY.—The Board of Governors of the Federal Reserve System and the Federal Open Market Committee may not use a central bank digital currency to implement monetary policy, or any digital asset that is substantially similar under any other name or label.

“(C) EXCEPTION.—Subparagraph (A) and sections 16(18)(A)(iii) and 16(19)(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.

“(D) CENTRAL BANK DIGITAL CURRENCY DEFINED.—In this paragraph, the term ‘central bank digital currency’ means a form of digital money or monetary value that is—

“(i) denominated in the national unit of account;

“(ii) a direct liability of the Federal Reserve System; and

“(iii) widely available to the general public.”.

SEC. 5. SENSE OF CONGRESS.

It is the sense of Congress that the Board of Governors of the Federal Reserve System currently does not have the authority to issue a central bank digital currency, or any digital asset that is substantially similar under any other name or label, and will not have such authority unless Congress grants it under Congress’s Article 1 Section 8 powers.