118TH CONGRESS 2D SESSION	S.	
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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.

## IN THE SENATE OF THE UNITED STATES

Mr. CRUZ introduced the following bill; which was read twice and referred to the Committee on \_\_\_\_\_

## A BILL

- 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,
  - 3 SECTION 1. SHORT TITLE.
  - 4 This Act may be cited as the "CBDC Anti-Surveil-
  - 5 lance State Act".

1	SEC. 2. PROHIBITION ON FEDERAL RESERVE BANKS RE-
2	LATING TO CERTAIN PRODUCTS OR SERV-
3	ICES FOR INDIVIDUALS AND PROHIBITION
4	ON DIRECTLY ISSUING A CENTRAL BANK DIG-
5	ITAL CURRENCY.
6	Section 16 of the Federal Reserve Act (12 U.S.C. 411
7	et seq.) is amended by adding at the end the following:
8	"No Federal Reserve bank shall offer products or
9	services directly to an individual, maintain an account on
10	behalf of an individual, or issue a central bank digital cur-
11	rency, or any digital asset that is substantially similar,
12	under any other name or label, directly to an individual.".
13	SEC. 3. PROHIBITION ON FEDERAL RESERVE BANKS INDI-
14	RECTLY ISSUING A CENTRAL BANK DIGITAL
<ul><li>14</li><li>15</li></ul>	RECTLY ISSUING A CENTRAL BANK DIGITAL CURRENCY.
15	CURRENCY.
15 16	CURRENCY. Section 16 of the Federal Reserve Act (12 U.S.C. 411
15 16 17	CURRENCY.  Section 16 of the Federal Reserve Act (12 U.S.C. 411 et seq.), as amended by section 2 of this Act, is further
15 16 17 18	CURRENCY.  Section 16 of the Federal Reserve Act (12 U.S.C. 411 et seq.), as amended by section 2 of this Act, is further amended by adding at the end the following:
15 16 17 18 19	CURRENCY.  Section 16 of the Federal Reserve Act (12 U.S.C. 411 et seq.), as amended by section 2 of this Act, is further amended by adding at the end the following:  "A Federal Reserve bank shall not offer a central
15 16 17 18 19 20	CURRENCY.  Section 16 of the Federal Reserve Act (12 U.S.C. 411 et seq.), as amended by section 2 of this Act, is further amended by adding at the end the following:  "A Federal Reserve bank shall not offer a central bank digital currency, or any digital asset that is substan-
15 16 17 18 19 20 21	CURRENCY.  Section 16 of the Federal Reserve Act (12 U.S.C. 411 et seq.), as amended by section 2 of this Act, is further amended by adding at the end the following:  "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
15 16 17 18 19 20 21 22	Section 16 of the Federal Reserve Act (12 U.S.C. 411 et seq.), as amended by section 2 of this Act, is further amended by adding at the end the following:  "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 inter-
15 16 17 18 19 20 21 22 23	CURRENCY.  Section 16 of the Federal Reserve Act (12 U.S.C. 411 et seq.), as amended by section 2 of this Act, is further amended by adding at the end the following:  "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. The preceding sentence is not to be construed.

## 1 SEC. 4. PROHIBITION ON THE USE OF CENTRAL BANK DIG-

- 2 ITAL CURRENCY FOR MONETARY POLICY.
- 3 Section 16 of the Federal Reserve Act (12 U.S.C. 241
- 4 et seq.) is amended by inserting before the twelfth undes-
- 5 ignated paragraph the following:
- 6 "The Board of Governors of the Federal Reserve Sys-
- 7 tem and the Federal Open Market Committee shall not
- 8 use any central bank digital currency, or any digital asset
- 9 that is substantially similar under any other name or label,
- 10 to implement monetary policy.".
- 11 SEC. 5. CENTRAL BANK DIGITAL CURRENCY.
- 12 (a) IN GENERAL.—The Federal Reserve Act (12
- 13 U.S.C. 221 et seq.) is amended by inserting after section
- 14 16 the following:
- 15 "SEC. 16A. CENTRAL BANK DIGITAL CURRENCY.
- 16 "(a) IN GENERAL.—The Board of Governors of the
- 17 Federal Reserve System may not, absent Congressional
- 18 authorization, issue a central bank digital currency.
- 19 "(b) CENTRAL BANK DIGITAL CURRENCY DE-
- 20 FINED.—In this section, the term 'central bank digital
- 21 currency' means a form of digital money or monetary
- 22 value, denominated in the national unit of account, that
- 23 is a direct liability of the Federal Reserve System.".
- 24 (b) Treasury.—

1	(1) In general.—Chapter 3 of title 31 of the
2	United States Code is amended by inserting after
3	section 316 the following:
4	"SEC. 317. CENTRAL BANK DIGITAL CURRENCY.
5	"(a) In General.—The Secretary of the Treasury
6	may not, absent Congressional authorization, direct the
7	Board of Governors of the Federal Reserve System to
8	issue a central bank digital currency.
9	"(b) Central Bank Digital Currency De-
10	FINED.—In this section, the term 'central bank digital
11	currency' means a form of digital money or monetary
12	value, denominated in the national unit of account, that
13	is a direct liability of the central bank.".
14	(2) CLERICAL AMENDMENT.—The table of sec-
15	tions for chapter 3 of title 31, United States Code
16	is amended by inserting after the item relating to
17	section 316 the following:
	"317. Central bank digital currency.".
18	SEC. 6. PROTECTION FOR OPEN, PERMISSIONLESS, AND
19	PRIVATE CURRENCY.
20	This Act and the amendments made by this Act shall
21	not apply to any dollar-denominated currency that is open
22	permissionless, and private, and fully preserves the privacy
23	protections of United States coins and physical currency