

H.R. 5403, CBDC Anti-Surveillance State Act

As reported by the House Committee on Financial Services on May 7, 2024

By Fiscal Year, Millions of Dollars	2024	2024-2029	2024-2034
Direct Spending (Outlays)	0	0	0
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	0	0
Spending Subject to Appropriation (Outlays)	0	0	0
Increases <i>net direct spending</i> in any of the four consecutive 10-year periods beginning in 2035?	No	Statutory pay-as-you-go procedures apply?	No
		Mandate Effects	
Increases <i>on-budget deficits</i> in any of the four consecutive 10-year periods beginning in 2035?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

H.R. 5403 would prohibit Federal Reserve banks from:

- Providing products or services directly to individuals or maintaining an account on behalf of an individual,
- Issuing a central bank digital currency to individuals, and
- Using a central bank digital currency to implement monetary policy

The bill also would prohibit the Department of the Treasury from directing the Federal Reserve to issue a central bank digital currency.

CBO estimates that enacting the bill would not affect direct spending or revenues. That estimate is subject to considerable uncertainty, however. In particular, the bill's prohibition on the Federal Reserve's use or issuance of a central bank digital currency could apply to bank reserves, which are a unit of value and a liability of the Federal Reserve. The approximately \$4 trillion in currently outstanding bank reserves constitute a key tool in the implementation of monetary policy. At this time, CBO cannot determine how the Federal

See also

[CBO's Cost Estimates Explained](#), [CBO Describes Its Cost-Estimating Process](#), [Glossary](#)



Reserve and financial markets would respond to the bill's prohibitions or whether the prohibitions would substantively affect the conduct of monetary policy.¹

The CBO staff contact for this estimate is Nathaniel Frenz. The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis.

A handwritten signature in black ink that reads "Phillip L. Swagel". The signature is fluid and cursive, with a long, sweeping tail.

Phillip L. Swagel
Director, Congressional Budget Office

1. For additional information, see Congressional Budget Office, *How the Federal Reserve's Quantitative Easing Affects the Federal Budget* (September 2022), www.cbo.gov/publication/57519.