



# Central Bank Digital Currency Principles

*House Financial Services Committee Republicans*

## **Address Inefficiencies in the U.S. Payment System**

Any consideration of a central bank digital currency should be done with the dual goal of maintaining 1) the U.S. dollar as the world's reserve currency and 2) the global preeminence of the U.S. payment system, including how a digital currency might remove inefficiencies in both U.S. and cross-border payments.

## **Stablecoins**

Stablecoins hold promise as a potential cornerstone of a modern payment system, if issued under a clear regulatory framework.

If Congress contemplates authorizing the use of a Fed-issued digital currency, it should not impede the development and utilization of stablecoins, both those currently in circulation and those yet to be developed.

## **Private Sector Must Lead the Way**

Digital currency policies must promote private sector innovation and foster competition to ensure the United States maintains the world's leading payment system. Congress and regulators should recognize the unique nature of these innovations and establish a regulatory framework that targets the activity and not the technology.

Overly burdensome policies will diminish the potential gains to our financial system and put the U.S. at a disadvantage among our international competitors and allies alike.

## **Ensure Privacy and Security**

The Federal Reserve cannot issue a digital currency without Congressional authority. If Congress contemplates authorizing the use of a Fed-issued digital currency, privacy and civil liberties protections must be evaluated in a manner consistent with currency transactions utilized today, and security protections must be addressed.