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119TH CONGRESS
1ST SESSION

H. R. 692

To require the United States Executive Director at the International Monetary Fund to advocate for increased transparency with respect to exchange rate policies of the People's Republic of China, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 23, 2025

Mr. MEUSER (for himself, Mr. LOUDERMILK, Ms. LEE of Nevada, Ms. DE LA CRUZ, Mr. MOOLENAAR, and Mr. MESSMER) introduced the following bill; which was referred to the Committee on Financial Services

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A BILL

To require the United States Executive Director at the International Monetary Fund to advocate for increased transparency with respect to exchange rate policies of the People's Republic of China, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ‘‘China Exchange Rate Transparency Act of 2023’’.

SEC. 2. FINDINGS.

The Congress finds as follows:

(1) Under Article IV of the Articles of Agreement of the International Monetary Fund (IMF), the People's Republic of China has committed to orderly exchange rate arrangements, the avoidance of exchange rate manipulation, and cooperation with the IMF to ensure "firm surveillance" of the exchange rate policies of the People's Republic of China. Pursuant to Article VIII of the Articles of Agreement of the IMF, the IMF may require the People's Republic of China to furnish data on gold and foreign exchange holdings, including assets held by non-official agencies of the People's Republic of China.

(2) In its November 2022 report, entitled "Macroeconomic and Foreign Exchange Policies of Major Trading Partners of the United States", the Department of the Treasury concluded, "China provides very limited transparency regarding key features of its exchange rate mechanism, including the policy objectives of its exchange rate management regime and its activities in the offshore RMB market.". The Department continued: "China's lack of transparency and use of a wide array of tools complicate Treasury's ability to assess the degree to

which official actions are designed to impact the exchange rate.''.

(3) In that report, the Department further noted that ''China's failure to publish foreign exchange intervention and broader lack of transparency around key features of its exchange rate mechanism make it an outlier among major economies and warrants Treasury's close monitoring.''.

SEC. 3. ADVOCACY FOR INCREASED EXCHANGE RATE TRANSPARENCY FROM CHINA.

The Secretary of the Treasury shall instruct the United States Executive Director at the International Monetary Fund (in this Act referred to as the ''IMF'') to use the voice and vote of the United States to advocate for—

(1) increased transparency from the People's Republic of China, and enhanced multilateral and bilateral surveillance by the IMF, with respect to the exchange rate arrangements of the People's Republic of China, including any indirect foreign exchange market intervention through Chinese financial institutions or state-owned enterprises;

(2) in connection with consultations with the People's Republic of China under Article IV of the Articles of Agreement of the IMF, the inclusion of

any significant divergences by the People's Republic of China from the exchange rate policies of other issuers of currencies used in determining the value of Special Drawing Rights; and

(3) during governance reviews of the IMF, stronger consideration by IMF members and management of the performance of China as a responsible stakeholder in the international monetary system when evaluating quota and voting shares at the IMF.

SEC. 4. SUNSET.

This Act shall have no force or effect on or after the date that is 30 days after the earlier of—

(1) the date that the United States Governor of the IMF reports to the Congress that the People's Republic of China—

(A) is in substantial compliance with obligations of the People's Republic of China under the Articles of Agreement of the IMF regarding orderly exchange rate arrangements; and

(B) has undertaken exchange rate policies and practices consistent with those of other issuers of currencies used in determining the value of Special Drawing Rights; and

(2) the date that is 7 years after the date of the enactment of this Act.

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