II

119TH CONGRESS
1ST SESSION

S. 1685

To require the Secretary of the Treasury to instruct the United States Executive Directors at the international financial institutions to advocate for opposition to projects that make use of forced labor.

IN THE SENATE OF THE UNITED STATES

MAY 8, 2025

Mr. SCOTT of Florida (for himself and Mr. MERKLEY) introduced the following bill; which was read twice and referred to the Committee on Foreign Relations

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A BILL

To require the Secretary of the Treasury to instruct the United States Executive Directors at the international financial institutions to advocate for opposition to projects that make use of forced labor.

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 "No Funds for Forced Labor Act".

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) The International Labour Organization has expressed "deep concern" about the "extensive use of forced labor in the Xinjiang Uyghur Autonomous Region".

(2) In its 2022 annual report, the Congressional-Executive Commission on China found, "Authorities in the XUAR (Xinjiang Uyghur Autonomous Region) maintained a system of forced labor that involved former mass internment camp detainees and other Turkic and Muslim individuals.".

(3) In 2022, the Atlantic Council published a report detailing that the World Bank's private lending body, the International Finance Corporation, determined that several clients of the Corporation were active participants in the People's Republic of China campaign against the Uyghur people and Uyghur culture in the Xinjiang Uyghur Autonomous Region.

SEC. 3. SENSE OF CONGRESS.

It is the sense of Congress that—

(1) international financial institutions should not fund, finance, or provide loan guarantees to any entity that has been credibly accused of using forced labor; and

(2) the United States should work with allies, partners, and all countries around the globe to elimi-

nate forced labor and ensure that international financial institutions do not fund projects that use forced labor.

SEC. 4. UNITED STATES OPPOSITION TO INTERNATIONAL FINANCIAL INSTITUTION LOANS FOR PROJECTS THAT WOULD USE, OR HAVE A SIGNIFICANT RISK OF USING, FORCED LABOR.

(a) IN GENERAL.—Title VII of the International Financial Institutions Act (22 U.S.C. 262d, 262c note, 262e, and 262d note) is amended by adding at the end the following:

"SEC. 706. UNITED STATES OPPOSITION TO LOANS FOR PROJECTS THAT WOULD USE, OR HAVE A SIGNIFICANT RISK OF USING, FORCED LABOR.

"(a) IN GENERAL.—The Secretary of the Treasury shall instruct the United States Executive Director at each international financial institution (as defined in section 1701(c)(2)) to use the voice, vote, and influence of the United States, to the maximum extent practicable, to—

"(1) oppose the provision of a loan to any project that will—

"(A) pose a significant risk of using forced labor; or

"(B) be carried out by a state-owned or heavily state-influenced entity in the Xinjiang

Uyghur Autonomous Region of the People's Republic of China; and

"(2) require the institution to provide, with respect to each project supported by the institution, an explanation, specific to the project, of—

"(A) how the institution has vetted the project for forced labor risks; and

"(B) the actions taken to mitigate, track, and reverse that risk.

"(b) DEFINITION OF FORCED LABOR.—In this section, the term 'forced labor'—

"(1) has the meaning given the term in section 307 of the Tariff Act of 1930 (19 U.S.C. 1307); and

"(2) includes convict labor and indentured labor under penal sanctions.".

(b) REPORT.—

(1) IN GENERAL.—Not later than 1 year after the date of the enactment of this Act, and annually thereafter for the next 5 years, the Secretary of the Treasury shall submit to the committees specified in paragraph (2) a written report on the implementation of the amendment made by subsection (a), which shall include details about—

(A) any project approved by an international financial institution (as defined in section 1701(c)(2) of the International Financial Institutions Act (22 U.S.C. 262r(c)(2))) in which forced labor could possibly be used; and

(B) the efforts of the United States Executive Director at each such institution to convince other countries to oppose any project in which forced labor could be used.

(2) COMMITTEES SPECIFIED.—The committees specified in this paragraph are—

(A) the Committee on Financial Services and the Committee on Foreign Affairs of the House of Representatives; and

(B) the Committee on Foreign Relations and the Committee on Banking, Housing, and Urban Affairs of the Senate.

(3) PUBLIC AVAILABILITY.—The Secretary of the Treasury shall make the report (or an unclassified version of the report) available to the public.

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