To require the Secretary of the Treasury to direct the United States Executive Director at the International Monetary Fund to advocate that the Fund provide technical assistance to Fund members seeking to enhance their capacity to evaluate the legal and financial terms of sovereign debt contracts, 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 “Sovereign Debt Contract Capacity Act”.
SEC. 2. SUPPORT TO ENHANCE THE CAPACITY OF INTERNATIONAL MONETARY FUND MEMBERS TO EVALUATE THE LEGAL AND FINANCIAL TERMS OF SOVEREIGN DEBT CONTRACTS.

(a) IN GENERAL.—Title XVI of the International Financial Institutions Act (22 U.S.C. 262p–262p–13) is amended by adding at the end the following:

“SEC. 1630. SUPPORT TO ENHANCE THE CAPACITY OF FUND MEMBERS TO EVALUATE THE LEGAL AND FINANCIAL TERMS OF SOVEREIGN DEBT CONTRACTS.

“The Secretary of the Treasury shall instruct the United States Executive Director at the International Monetary Fund to use the voice and vote of the United States to advocate that the Fund promote international standards and best practices with respect to sovereign debt contracts and provide technical assistance to Fund members, and in particular to lower middle-income countries and countries eligible to receive assistance from the International Development Association, seeking to enhance their capacity to evaluate the legal and financial terms of sovereign debt contracts with multilateral, bilateral, and private sector creditors.”.

(b) REPORT TO THE CONGRESS.—Within 1 year after the date of the enactment of this Act, and annually thereafter for the next 4 years, the Secretary of the Treasury
shall report to the Committee on Financial Services of the House of Representatives and the Committee on Foreign Relations of the Senate on—

(1) the activities of the International Monetary Fund in the then most recently completed fiscal year to provide technical assistance described in section 1630 of the International Financial Institutions Act, including the ability of the Fund to meet the demand for the assistance; and

(2) the efficacy of efforts by the United States to achieve the policy goal described in such section and any further actions that should be taken, if necessary, to implement that goal.

(e) Sunset.—The amendment made by subsection (a) shall have no force or effect after the 5-year period that begins with the date of the enactment of this Act.