

# Union Calendar No. 235

118TH CONGRESS  
1ST SESSION

# H. R. 839

[Report No. 118-291]

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.

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 6, 2023

Mr. MEUSER (for himself, Mr. DONALDS, and Mr. LOUDERMILK) introduced the following bill; which was referred to the Committee on Financial Services

DECEMBER 1, 2023

Additional sponsors: Mr. NICKEL, Mr. LAWLER, Ms. LEE of Nevada, and Ms. DE LA CRUZ

DECEMBER 1, 2023

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

[For text of introduced bill, see copy of bill as introduced on February 6, 2023]

# **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.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 *This Act may be cited as the “China Exchange Rate*  
5 *Transparency Act of 2023”.*

6 **SEC. 2. FINDINGS.**

7 *The Congress finds as follows:*

8 *(1) Under Article IV of the Articles of Agreement*  
9 *of the International Monetary Fund (IMF), the Peo-*  
10 *ple’s Republic of China has committed to orderly ex-*  
11 *change rate arrangements, the avoidance of exchange*  
12 *rate manipulation, and cooperation with the IMF to*  
13 *ensure “firm surveillance” of the exchange rate poli-*  
14 *cies of the People’s Republic of China. Pursuant to*  
15 *Article VIII of the Articles of Agreement of the IMF,*  
16 *the IMF may require the People’s Republic of China*  
17 *to furnish data on gold and foreign exchange hold-*  
18 *ings, including assets held by non-official agencies of*  
19 *the People’s Republic of China.*

20 *(2) In its November 2022 report, entitled “Mac-*  
21 *roeconomic and Foreign Exchange Policies of Major*  
22 *Trading Partners of the United States”, the Depart-*  
23 *ment of the Treasury concluded, “China provides very*  
24 *limited transparency regarding key features of its ex-*  
25 *change rate mechanism, including the policy objec-*

1 *tives of its exchange rate management regime and its*  
2 *activities in the offshore RMB market.”. The Depart-*  
3 *ment continued: “China’s lack of transparency and*  
4 *use of a wide array of tools complicate Treasury’s*  
5 *ability to assess the degree to which official actions*  
6 *are designed to impact the exchange rate.”.*

7 *(3) In that report, the Department further noted*  
8 *that “China’s failure to publish foreign exchange*  
9 *intervention and broader lack of transparency around*  
10 *key features of its exchange rate mechanism make it*  
11 *an outlier among major economies and warrants*  
12 *Treasury’s close monitoring.”.*

13 **SEC. 3. ADVOCACY FOR INCREASED EXCHANGE RATE**  
14 **TRANSPARENCY FROM CHINA.**

15 *The Secretary of the Treasury shall instruct the United*  
16 *States Executive Director at the International Monetary*  
17 *Fund (in this Act referred to as the “IMF”) to use the voice*  
18 *and vote of the United States to advocate for—*

19 *(1) increased transparency from the People’s Re-*  
20 *public of China, and enhanced multilateral and bilat-*  
21 *eral surveillance by the IMF, with respect to the ex-*  
22 *change rate arrangements of the People’s Republic of*  
23 *China, including any indirect foreign exchange mar-*  
24 *ket intervention through Chinese financial institu-*  
25 *tions or state-owned enterprises;*

1           (2) *in connection with consultations with the*  
2 *People’s Republic of China under Article IV of the Ar-*  
3 *ticles of Agreement of the IMF, the inclusion of any*  
4 *significant divergences by the People’s Republic of*  
5 *China from the exchange rate policies of other issuers*  
6 *of currencies used in determining the value of Special*  
7 *Drawing Rights; and*

8           (3) *during governance reviews of the IMF,*  
9 *stronger consideration by IMF members and manage-*  
10 *ment of the performance of China as a responsible*  
11 *stakeholder in the international monetary system*  
12 *when evaluating quota and voting shares at the IMF.*

13 **SEC. 4. SUNSET.**

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

16           (1) *the date that the United States Governor of*  
17 *the IMF reports to the Congress that the People’s Re-*  
18 *public of China—*

19                   (A) *is in substantial compliance with obli-*  
20 *gations of the People’s Republic of China under*  
21 *the Articles of Agreement of the IMF regarding*  
22 *orderly exchange rate arrangements; and*

23                   (B) *has undertaken exchange rate policies*  
24 *and practices consistent with those of other*

1           *issuers of currencies used in determining the*  
2           *value of Special Drawing Rights; and*  
3           *(2) the date that is 7 years after the date of the*  
4           *enactment of this Act.*



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