

118TH CONGRESS  
1ST SESSION

# H. R. 605

To amend the Special Drawing Rights Act in order to strengthen congressional oversight with respect to allocations of Special Drawing Rights by the International Monetary Fund, and to prohibit such allocations for perpetrators of genocide and state sponsors of terrorism without congressional authorization, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 27, 2023

Mr. HILL (for himself, Mr. BARR, and Mr. HUIZENGA) introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To amend the Special Drawing Rights Act in order to strengthen congressional oversight with respect to allocations of Special Drawing Rights by the International Monetary Fund, and to prohibit such allocations for perpetrators of genocide and state sponsors of terrorism without congressional authorization, 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 “Special Drawing  
5 Rights Oversight Act of 2023”.

1 **SEC. 2. FINDINGS.**

2 The Congress finds as follows:

3 (1) The allocation of Special Drawing Rights  
4 (SDRs) through the International Monetary Fund  
5 (IMF) creates unconditional liquidity for IMF mem-  
6 ber countries.

7 (2) According to article XVIII of the Articles of  
8 Agreement of the IMF, allocations of SDRs “shall  
9 seek to meet the long-term global need” in reserve  
10 assets.

11 (3) SDRs are allocated in proportion to the  
12 quotas of IMF members, such that the G20 alone is  
13 entitled to approximately two-thirds of a general al-  
14 location. At the same time, the Board of Governors  
15 of the Federal Reserve System has swap line ar-  
16 rangements with the central banks of eight G20  
17 members, including the European Central Bank, the  
18 Bank of Japan, and the Bank of England, for the  
19 purpose of providing sufficient liquidity.

20 (4) The size of SDR allocations has expanded  
21 dramatically, rising from 9,300,000,000 SDRs in  
22 1970–1972, to 12,100,000,000 SDRs in 1979–1981,  
23 to 204,000,000,000 SDRs in 2009, with proposals  
24 for a new, unilateral allocation that bypasses con-  
25 gressional authorization in an amount of approxi-  
26 mately 450,000,000,000 SDRs.

1           (5) Under current law, the Secretary of the  
2 Treasury is able to bypass Congress and approve an  
3 allocation of SDRs in a manner that provides uncon-  
4 ditional liquidity in the following approximate  
5 amounts: \$41,700,000,000 to the People’s Republic  
6 of China; \$17,600,000,000 to the Russian Federa-  
7 tion; \$4,900,000,000 to the Islamic Republic of  
8 Iran, and \$5,000,000,000 to Venezuela. In addition,  
9 current law permits allocations in these amounts to  
10 be made in successive years that span two basic pe-  
11 riods.

12           (6) In the 98th Congress, the House of Rep-  
13 resentatives passed the bipartisan International Re-  
14 covery and Financial Stability Act, which would have  
15 prohibited new allocations of SDRs without congres-  
16 sional authorization.

17 **SEC. 3. STRENGTHENING CONGRESSIONAL OVERSIGHT.**

18           Section 6 of the Special Drawing Rights Act (22  
19 U.S.C. 286q) is amended—

20           (1) in subsection (a)—

21                   (A) by striking “each basic period” and in-  
22 serting “any 10-year period”; and

23                   (B) by inserting “25 percent of” before  
24 “the United States quota”; and

25           (2) in subsection (b)—

1 (A) by inserting “, or consent to or acqui-  
2 esce in such an allocation,” before “without  
3 consultations”;

4 (B) by striking “90” and inserting “180”;  
5 and

6 (C) by inserting “Chairman and ranking  
7 minority members of” before “the appropriate  
8 subcommittees”.

9 **SEC. 4. PROHIBITION ON ALLOCATIONS FOR PERPETRA-**  
10 **TORS OF GENOCIDE AND STATE SPONSORS**  
11 **OF TERRORISM WITHOUT CONGRESSIONAL**  
12 **AUTHORIZATION.**

13 Section 6(b) of the Special Drawing Rights Act (22  
14 U.S.C. 286q(b)) is amended by adding at the end the fol-  
15 lowing:

16 “(3) Unless Congress by law authorizes such action,  
17 neither the President nor any person or agency shall on  
18 behalf of the United States vote to allocate Special Draw-  
19 ing Rights under article XVIII, sections 2 and 3, of the  
20 Articles of Agreement of the Fund to a member country  
21 of the Fund, if the President of the United States has  
22 found that the government of the member country—

23 “(A) has committed genocide at any time dur-  
24 ing the 10-year period ending with the date of the  
25 vote; or

1           “(B) has repeatedly provided support for acts  
2           of international terrorism.”.

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