

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

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:

1 (1) Under Article IV of the Articles of Agree-
2 ment of the International Monetary Fund (IMF),
3 the People’s Republic of China has committed to or-
4 derly exchange rate arrangements, the avoidance of
5 exchange rate manipulation, and cooperation with
6 the IMF to ensure “firm surveillance” of the ex-
7 change rate policies of the People’s Republic of
8 China. Pursuant to Article VIII of the Articles of
9 Agreement of the IMF, the IMF may require the
10 People’s Republic of China to furnish data on gold
11 and foreign exchange holdings, including assets held
12 by non-official agencies of the People’s Republic of
13 China.

14 (2) In its November 2022 report, entitled
15 “Macroeconomic and Foreign Exchange Policies of
16 Major Trading Partners of the United States”, the
17 Department of the Treasury concluded, “China pro-
18 vides very limited transparency regarding key fea-
19 tures of its exchange rate mechanism, including the
20 policy objectives of its exchange rate management
21 regime and its activities in the offshore RMB mar-
22 ket.”. The Department continued: “China’s lack of
23 transparency and use of a wide array of tools com-
24 plicate Treasury’s ability to assess the degree to

1 which official actions are designed to impact the ex-
2 change rate.”.

3 (3) In that report, the Department further
4 noted that “China’s failure to publish foreign ex-
5 change intervention and broader lack of trans-
6 parency around key features of its exchange rate
7 mechanism make it an outlier among major econo-
8 mies and warrants Treasury’s close monitoring.”.

9 **SEC. 3. ADVOCACY FOR INCREASED EXCHANGE RATE**
10 **TRANSPARENCY FROM CHINA.**

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

16 (1) increased transparency from the People’s
17 Republic of China, and enhanced multilateral and bi-
18 lateral surveillance by the IMF, with respect to the
19 exchange rate arrangements of the People’s Republic
20 of China, including any indirect foreign exchange
21 market intervention through Chinese financial insti-
22 tutions or state-owned enterprises;

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

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

5 (3) during governance reviews of the IMF,
6 stronger consideration by IMF members and man-
7 agement of the performance of China as a respon-
8 sible stakeholder in the international monetary sys-
9 tem when evaluating quota and voting shares at the
10 IMF.

11 **SEC. 4. SUNSET.**

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

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

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

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

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

