Union Calendar No. 10

119TH CONGRESS
1ST SESSION

H. R. 910

[Report No. 119–20]

To require the Secretary of the Treasury to pursue more equitable treatment of Taiwan at the international financial institutions, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 4, 2025

Mrs. KIM (for herself and Mr. GREEN of Texas) introduced the following bill; which was referred to the Committee on Financial Services

MARCH 21, 2025

Additional sponsors: Mr. LAWLER and Mr. LIEU

MARCH 21, 2025

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 4, 2025]

A BILL

To require the Secretary of the Treasury to pursue more equitable treatment of Taiwan at the international financial institutions, 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 "Taiwan Non-Discrimination Act of 2025".

SEC. 2. FINDINGS.

Congress finds as follows:

(1) As enshrined in its Articles of Agreement, the International Monetary Fund (IMF) is devoted to promoting international monetary cooperation, facilitating the expansion and balanced growth of international trade, encouraging exchange stability, and avoiding competitive exchange depreciation.

(2) Taiwan is the 21st largest economy in the world and the 10th largest goods trading partner of the United States.

(3) Although Taiwan is not an IMF member, it is a member of the World Trade Organization, the Asian Development Bank, and the Asia-Pacific Economic Cooperation forum.

(4) According to the January 2020 Report on Macroeconomic and Foreign Exchange Policies of Major Trading Partners of the United States, published by the Department of the Treasury, Taiwan held $471,900,000,000 in foreign exchange reserves,

more than major economies such as India, South Korea, and Brazil.

(5) According to section 4(d) of the Taiwan Relations Act (Public Law 96–8), enacted on April 10, 1979, "Nothing in this Act may be construed as a basis for supporting the exclusion or expulsion of Taiwan from continued membership in any international financial institution or any other international organization.".

(6) Taiwan held membership in the IMF for 9 years following the recognition of the People's Republic of China (PRC) by the United Nations, and 16 Taiwan staff members at the Fund were allowed to continue their employment after the PRC was seated at the IMF in 1980. As James M. Boughton has noted in his Silent Revolution: The International Monetary Fund 1979–1989, even as the PRC was seated, the United States Executive Director to the IMF, Sam Y. Cross, expressed support on behalf of the United States Government for "some kind of association between Taiwan and the Fund".

(7) On September 27, 1994, in testimony before the Senate Committee on Foreign Relations regarding the 1994 Taiwan Policy Review, then-Assistant Secretary of State for East Asian and Pacific Affairs

Winston Lord stated: "Recognizing Taiwan's important role in transnational issues, we will support its membership in organizations where statehood is not a prerequisite, and we will support opportunities for Taiwan's voice to be heard in organizations where its membership is not possible.".

(8) The Congress has repeatedly reaffirmed support for this policy, including in Public Laws 107–10, 107–158, 108–28, 108–235, 113–17, and 114–139, and the unanimous House and Senate passage of the Taiwan Allies International Protection and Enhancement Initiative (TAIPEI) Act of 2019.

(9) In its fact sheet, entitled "U.S. Relations with Taiwan", published on August 31, 2018, the Department of State asserts: "The United States supports Taiwan's membership in international organizations that do not require statehood as a condition of membership and encourages Taiwan's meaningful participation in international organizations where its membership is not possible.".

(10) According to the Articles of Agreement of the IMF, "membership shall be open to other countries", subject to conditions prescribed by the Board of Governors of the IMF.

(11) In the IMF publication "Membership and Nonmembership in the International Monetary Fund: A Study in International Law and Organization", Joseph Gold, the then-General Counsel and Director of the Legal Department of the IMF, elaborated on the differences between the terms "countries" and "states", noting that "the word 'country' may have been adopted because of the absence of agreement on the definition of a 'state'" and, with respect to the use of "countries" and applications for IMF membership, "the absence of any adjective in the Articles emphasizes the breadth of the discretion that the Fund may exercise in admitting countries to membership". According to Mr. Gold, "the desire to give the Fund flexibility in dealing with applications may explain not only the absence of any adjective that qualifies 'countries' but also the choice of that word itself".

(12) In his IMF study, Mr. Gold further observes, "in the practice of the Fund the concepts of independence and sovereignty have been avoided on the whole as a mode of expressing a criterion for membership in the Fund". He continues, "Although the Fund usually takes into account the recognition or nonrecognition of an entity as a state, there are no rules or even informal understandings on the extent

to which an applicant must have been recognized by members or other international organizations before the Fund will regard it as eligible for membership.''. In fact, when considering an application for membership where the status of an applicant may not be resolved, Mr. Gold writes ''there have been occasions on which the Fund has made a finding before decisions had been taken by the United Nations or by most members or by members with a majority of the total voting power.'' Mr. Gold concludes, ''the Fund makes its own findings on whether an applicant is a 'country', and makes them solely for its own purposes.''.

(13) Although not a member state of the United Nations, the Republic of Kosovo is a member of both the IMF and the World Bank, having joined both organizations on June 29, 2009.

(14) On October 26, 2021, Secretary of State Antony Blinken issued a statement in support of Taiwan's ''robust, meaningful participation'' in the United Nations system, which includes the IMF, the World Bank, and other specialized United Nations agencies. Secretary of State Blinken noted, ''As the international community faces an unprecedented number of complex and global issues, it is critical for all stakeholders to help address these problems. This

includes the 24 million people who live in Taiwan. Taiwan's meaningful participation in the UN system is not a political issue, but a pragmatic one.". He continued, "Taiwan's exclusion undermines the important work of the UN and its related bodies, all of which stand to benefit greatly from its contributions.".

(15) In October 2024, Taiwan announced it would seek IMF membership, with the Taipei Economic and Cultural Representative Office in the United States stating, "Taiwan's membership at the IMF would help boost financial resilience.".

SEC. 3. SENSE OF THE CONGRESS.

It is the sense of the Congress that—

(1) the size, significance, and connectedness of the Taiwanese economy highlight the importance of greater participation by Taiwan in the International Monetary Fund, given the purposes of the Fund articulated in its Articles of Agreement; and

(2) the experience of Taiwan in developing a vibrant and advanced economy under democratic governance and the rule of law should inform the work of the international financial institutions, including through increased participation by Taiwan in the institutions.

SEC. 4. SUPPORT FOR TAIWAN ADMISSION TO THE IMF.

(a) IN GENERAL.—The United States Governor of the International Monetary Fund (in this section referred to as the "Fund") shall use the voice and vote of the United States to vigorously support—

(1) the admission of Taiwan as a member of the Fund, to the extent that admission is sought by Taiwan;

(2) participation by Taiwan in regular surveillance activities of the Fund with respect to the economic and financial policies of Taiwan, consistent with Article IV consultation procedures of the Fund;

(3) employment opportunities for Taiwan nationals, without regard to any consideration that, in the determination of the United States Governor, does not generally restrict the employment of nationals of member countries of the Fund; and

(4) the ability of Taiwan to receive appropriate technical assistance and training by the Fund.

(b) UNITED STATES POLICY.—It is the policy of the United States not to discourage or otherwise deter Taiwan from seeking admission as a member of the Fund.

(c) WAIVER.—The Secretary of the Treasury may waive any requirement of subsection (a) for up to 1 year at a time on reporting to Congress that providing the waiver will substantially promote the objective of securing the

meaningful participation of Taiwan at each international financial institution (as defined in section 1701(c)(2) of the International Financial Institutions Act (22 U.S.C. 262r(c)(2))).

(d) SUNSET.—This section shall have no force or effect on the earlier of—

(1) the date of approval by the Board of Governors of the Fund for the admission of Taiwan as a member of the Fund; or

(2) the date that is 10 years after the date of the enactment of this Act.

SEC. 5. TESTIMONY REQUIREMENT.

In each of the next 7 years in which the Secretary of the Treasury is required by section 1705(b) of the International Financial Institutions Act to present testimony, the Secretary shall include in the testimony a description of the efforts of the United States to support the greatest participation practicable by Taiwan at each international financial institution (as defined in section 1701(c)(2) of such Act (22 U.S.C. 262r(c)(2))).

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