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(Original Signature of Member)

118TH CONGRESS  
1ST SESSION

**H. R.** \_\_\_\_\_

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

Mr. MEUSER introduced the following bill; which was referred to the  
Committee on \_\_\_\_\_

\_\_\_\_\_  
**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”.

1 **SEC. 2. FINDINGS.**

2 The Congress finds as follows:

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

16 (2) In its November 2022 report, entitled  
17 "Macroeconomic and Foreign Exchange Policies of  
18 Major Trading Partners of the United States", the  
19 Department of the Treasury concluded, "China pro-  
20 vides very limited transparency regarding key fea-  
21 tures of its exchange rate mechanism, including the  
22 policy objectives of its exchange rate management  
23 regime and its activities in the offshore RMB mar-  
24 ket.". The Department continued: "China's lack of  
25 transparency and use of a wide array of tools com-  
26 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 with respect to the exchange rate  
18       arrangements of the People’s Republic of China, in-  
19       cluding any indirect foreign exchange market inter-  
20       vention through Chinese financial institutions or  
21       state-owned enterprises;

22           (2) compliance by the People’s Republic of  
23       China with information requests from the IMF re-  
24       garding the exchange rate policies and holdings of

1 the People's Republic of China, consistent with the  
2 Articles of Agreement of the IMF;

3 (3) in connection with consultations with the  
4 People's Republic of China under Article IV of the  
5 Articles of Agreement of the IMF, the publication of  
6 any significant divergences by the People's Republic  
7 of China from the exchange rate policies of other  
8 issuers of currencies used in determining the value  
9 of Special Drawing Rights; and

10 (4) during governance reviews of the IMF,  
11 stronger consideration by IMF members and man-  
12 agement of non-transparent exchange rate policies  
13 undertaken by the People's Republic of China when  
14 evaluating quota and voting shares at the IMF.

15 **SEC. 4. SUNSET.**

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

18 (1) the date that the United States Governor of  
19 the IMF reports to the Congress that the People's  
20 Republic of China—

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

1                   (B) has undertaken exchange rate policies  
2                   consistent with those of other issuers of cur-  
3                   rencies used in determining the value of Special  
4                   Drawing Rights; and  
5                   (2) the date that is 7 years after the date of the  
6                   enactment of this Act.