

**AMENDMENT IN THE NATURE OF A SUBSTITUTE  
TO H.R. 839  
OFFERED BY MR. MEUSER OF PENNSYLVANIA**

Strike all after the enacting clause and insert the following:

**1 SECTION 1. SHORT TITLE.**

2       This Act may be cited as the “China Exchange Rate  
3 Transparency Act of 2023”.

**4 SEC. 2. FINDINGS.**

5       The Congress finds as follows:

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

1           (2) In its November 2022 report, entitled  
2           “Macroeconomic and Foreign Exchange Policies of  
3           Major Trading Partners of the United States”, the  
4           Department of the Treasury concluded, “China pro-  
5           vides very limited transparency regarding key fea-  
6           tures of its exchange rate mechanism, including the  
7           policy objectives of its exchange rate management  
8           regime and its activities in the offshore RMB mar-  
9           ket.”. The Department continued: “China’s lack of  
10          transparency and use of a wide array of tools com-  
11          plicate Treasury’s ability to assess the degree to  
12          which official actions are designed to impact the ex-  
13          change rate.”.

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

20 **SEC. 3. ADVOCACY FOR INCREASED EXCHANGE RATE**  
21 **TRANSPARENCY FROM CHINA.**

22          The Secretary of the Treasury shall instruct the  
23          United States Executive Director at the International  
24          Monetary Fund (in this Act referred to as the “IMF”)

1 to use the voice and vote of the United States to advocate  
2 for—

3 (1) increased transparency from the People's  
4 Republic of China, and enhanced multilateral and bi-  
5 lateral surveillance by the IMF, with respect to the  
6 exchange rate arrangements of the People's Republic  
7 of China, including any indirect foreign exchange  
8 market intervention through Chinese financial insti-  
9 tutions or state-owned enterprises;

10 (2) in connection with consultations with the  
11 People's Republic of China under Article IV of the  
12 Articles of Agreement of the IMF, the publication of  
13 any significant divergences by the People's Republic  
14 of China from the exchange rate policies of other  
15 issuers of currencies used in determining the value  
16 of Special Drawing Rights; and

17 (3) during governance reviews of the IMF,  
18 stronger consideration by IMF members and man-  
19 agement of the performance of China as a respon-  
20 sible stakeholder in the international monetary sys-  
21 tem when evaluating quota and voting shares at the  
22 IMF.

23 **SEC. 4. SUNSET.**

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

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

4                   (A) is in substantial compliance with obli-  
5                   gations of the People's Republic of China under  
6                   the Articles of Agreement of the IMF regarding  
7                   orderly exchange rate arrangements; and

8                   (B) has undertaken exchange rate policies  
9                   and practices consistent with those of other  
10                  issuers of currencies used in determining the  
11                  value of Special Drawing Rights; and

12           (2) the date that is 7 years after the date of the  
13           enactment of this Act.

