

119TH CONGRESS
1ST SESSION

S. _____

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 SENATE OF THE UNITED STATES

Mr. McCORMICK introduced the following bill; which was read twice and 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 2025”.

6 **SEC. 2. FINDINGS.**

7 Congress makes the following findings:

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

13 (2) In its November 2022 report, entitled
14 “Macroeconomic and Foreign Exchange Policies of
15 Major Trading Partners of the United States”, the
16 Department of the Treasury concluded, “China pro-
17 vides very limited transparency regarding key fea-
18 tures of its exchange rate mechanism, including the
19 policy objectives of its exchange rate management
20 regime and its activities in the offshore [renminbi]
21 market.”. The Department continued: “China’s lack
22 of transparency and use of a wide array of tools
23 complicate Treasury’s ability to assess the degree to
24 which official actions are designed to impact the ex-
25 change rate.”.

1 (3) In that report, the Department further
2 noted, “China’s failure to publish foreign exchange
3 intervention and broader lack of transparency
4 around key features of its exchange rate mechanism
5 make it an outlier among major economies and war-
6 rants Treasury’s close monitoring.”.

7 **SEC. 3. ADVOCACY FOR INCREASED EXCHANGE RATE**
8 **TRANSPARENCY FROM THE PEOPLE’S RE-**
9 **PUBLIC OF CHINA.**

10 (a) IN GENERAL.—The Secretary of the Treasury
11 shall instruct the United States Executive Director at the
12 International Monetary Fund to use the voice and vote
13 of the United States to advocate for—

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

21 (2) in connection with consultations with the
22 People’s Republic of China under Article IV of the
23 Articles of Agreement of the Fund, the inclusion of
24 any significant divergences by the People’s Republic
25 of China from the exchange rate policies of other

1 issuers of currencies used in determining the value
2 of Special Drawing Rights; and

3 (3) during governance reviews of the Fund,
4 stronger consideration by members and management
5 of the Fund of the performance of the People's Re-
6 public of China as a responsible stakeholder in the
7 international monetary system when evaluating
8 quota and voting shares at the Fund.

9 (b) SUNSET.—The requirement under subsection (a)
10 shall terminate on the date that is 30 days after the earlier
11 of—

12 (1) the date on which the United States Gov-
13 ernor of the International Monetary Fund reports to
14 Congress that the People's Republic of China—

15 (A) is in substantial compliance with obli-
16 gations of the People's Republic of China under
17 the Articles of Agreement of the Fund regard-
18 ing orderly exchange rate arrangements; and

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

23 (2) the date that is 7 years after the date of the
24 enactment of this Act.