

body, represented that fire and vinegar, that intensity.

In his time here, he has developed into a statesman, a chairman of great regard, and someone who ultimately, when he leaves this body at the end of the session, will be missed.

My colleague, and I would like to think I can call you my friend, but most assuredly I note my respect for your legislative skills.

The bill before us is a bipartisan piece of legislation, as my colleagues have noted, to send a clear message: If China intends to engage in conflict against Taiwan, then China should be prepared to withstand the consequences.

Under the Taiwan Relations Act, the President is required to notify Congress if China poses an immediate threat to Taiwan's security.

If this notification is triggered, my bill states it is U.S. policy to exclude Chinese representatives from key international organizations: The G20, the Financial Stability Board, and the Basel Committee on Banking Supervision.

A threat to Taiwan is a threat to the international order. Now, let me repeat that one more time: A threat to Taiwan is a threat to the international order.

We should make it clear that if China acts to throw the world into instability, China will be excluded from international bodies that work to uphold that very stability.

I thank my colleague from Texas, Congressman GONZALEZ, for working with me on this bill. I encourage my colleagues to support this piece of legislation.

Mrs. BEATTY. Mr. Speaker, I yield myself the balance of my time.

This legislation from Congressmen LUCAS and GONZALEZ is designed to send a message to China, discouraging escalation of its aggression toward Taiwan.

I again note that while I agree that sending a strong signal to China regarding the United States' support for the prevention of conflict in the Taiwan Strait is important, we must also send a strong signal to Russia by providing additional funding to our fellow democracy, Ukraine.

I urge my colleagues to support this bill, and I yield back the balance of my time.

Mr. MCHENRY. Mr. Speaker, I yield myself such time as I may consume.

I reiterate that Chinese leaders must understand that a threat to Taiwan is a threat to international order, and it should be a threat to their standing in international institutions.

They will not be able to operate in major multilateral organizations as if it were business as usual.

We know the impact on Russia after its invasion of Ukraine. We have to let officials in Beijing know that that is what awaits them if they cross the line in Taiwan.

I urge adoption of this bill and support for the bill. I thank my colleague,

Mr. LUCAS, for his friendship and for his kind words, as well as his important leadership on this topic.

Mr. Speaker, I urge adoption of this bill, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from North Carolina (Mr. MCHENRY) that the House suspend the rules and pass the bill, H.R. 803, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Mr. MCHENRY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this question will be postponed.

The point of no quorum is considered withdrawn.

CHINA EXCHANGE RATE TRANSPARENCY ACT OF 2023

Mr. MCHENRY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 839) 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, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 839

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 "China Exchange Rate Transparency Act of 2023".

SEC. 2. FINDINGS.

The Congress finds as follows:

(1) Under Article IV of the Articles of Agreement of the International Monetary Fund (IMF), the People's Republic of China has committed to orderly exchange rate arrangements, the avoidance of exchange rate manipulation, and cooperation with the IMF to ensure "firm surveillance" of the exchange rate policies of the People's Republic of China. Pursuant to Article VIII of the Articles of Agreement of the IMF, the IMF may require the People's Republic of China to furnish data on gold and foreign exchange holdings, including assets held by non-official agencies of the People's Republic of China.

(2) In its November 2022 report, entitled "Macroeconomic and Foreign Exchange Policies of Major Trading Partners of the United States", the Department of the Treasury concluded, "China provides very limited transparency regarding key features of its exchange rate mechanism, including the policy objectives of its exchange rate management regime and its activities in the offshore RMB market." The Department continued: "China's lack of transparency and use of a wide array of tools complicate Treasury's ability to assess the degree to which official actions are designed to impact the exchange rate."

(3) In that report, the Department further noted that "China's failure to publish foreign

exchange intervention and broader lack of transparency around key features of its exchange rate mechanism make it an outlier among major economies and warrants Treasury's close monitoring."

SEC. 3. ADVOCACY FOR INCREASED EXCHANGE RATE TRANSPARENCY FROM CHINA.

The Secretary of the Treasury shall instruct the United States Executive Director at the International Monetary Fund (in this Act referred to as the "IMF") to use the voice and vote of the United States to advocate for—

(1) increased transparency from the People's Republic of China, and enhanced multilateral and bilateral surveillance by the IMF, with respect to the exchange rate arrangements of the People's Republic of China, including any indirect foreign exchange market intervention through Chinese financial institutions or state-owned enterprises;

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

(3) during governance reviews of the IMF, stronger consideration by IMF members and management of the performance of China as a responsible stakeholder in the international monetary system when evaluating quota and voting shares at the IMF.

SEC. 4. SUNSET.

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

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

(A) is in substantial compliance with obligations of the People's Republic of China under the Articles of Agreement of the IMF regarding orderly exchange rate arrangements; and

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

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

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from North Carolina (Mr. MCHENRY) and the gentlewoman from Ohio (Mrs. BEATTY) each will control 20 minutes.

The Chair recognizes the gentleman from North Carolina.

GENERAL LEAVE

Mr. MCHENRY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. MCHENRY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 839, the China Exchange Rate Transparency Act of 2023, introduced by the gentleman from Pennsylvania (Mr. MEUSER).

The China Exchange Rate Transparency Act reflects a bipartisan objective to hold China accountable for its poor economic governance.

The International Monetary Fund's articles of agreement require member countries to "... collaborate with the Fund and other members to assure orderly exchange arrangements and to

promote a stable system of exchange rates.”

In other words, to remain a member of the IMF, a country should avoid manipulating exchange rates to gain an unfair competitive advantage over other member countries.

According to the Treasury Department’s November 2022 Foreign Exchange Report, “China’s lack of transparency and use of a wide array of tools complicate Treasury’s ability to assess the degree to which official actions are designed to impact the exchange rate.”

This is just another barrier created by China’s economic governance that prevents us from gaining basic insights into the world’s second largest economy.

This opacity threatens the core mission of the IMF, which was established to help monitor exchange rate agreements.

It is ironic that China is always the one who demands a greater voice at the IMF, even if its actions undermine the fund’s ability to be effective.

For too long, we have seen China dismiss international rules of the road. From debt restructuring in the developing world to massive Chinese export credits, China has refused to work with other economies to find global solutions.

Mr. MEUSER’s bill will help prevent China from undermining yet another key area of cooperation—the IMF’s monitoring of exchange rates.

It will require the Treasury Department to push for greater transparency in China’s exchange rate management during the IMF’s economic reviews of China.

The bill would also make future reviews of Chinese shareholding in the IMF contingent on Beijing becoming a more responsible player in the international monetary system.

We need Treasury to take a firm stand at the IMF and insist that China adhere to the exchange rate policies of other advanced economies, or at the very least, disclose what those policies are.

This is important for the global economy, and it is certainly important for the American economy and American workers.

I thank Mr. MEUSER for his leadership on this bill and urge my colleagues to support it, and I reserve the balance of my time.

Mrs. BEATTY. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I rise in support of H.R. 839, the China Exchange Rate Transparency Act of 2023, sponsored by Congressman MEUSER.

This bill requires the United States executive director at the International Monetary Fund, or IMF, to use its voice and vote to advocate for increased transparency regarding China’s exchange rate policies.

This is important because China has a history of devaluing its currency, the

yuan, against the dollar, making its exports unfairly cheaper, and thereby harming small businesses in the United States.

This bill would further impose greater accountability on China by requiring the United States to press the IMF to report whether China’s exchange rate policies affect the value of SDRs and to consider China’s performance as a responsible partner in the international monetary system when evaluating China’s voting power at the IMF.

President Biden’s Treasury Department has already increased transparency of China’s practices, including by placing it on a watch list for its failure to publish foreign exchange intervention and key features of its exchange rate setting mechanism.

This bill would reinforce the Biden administration’s actions to further push for greater transparency and accountability in this regard.

These are sensible actions Congress can take to prevent China from using its currency as an economic weapon.

For these reasons, I urge my colleagues to support this bill, and I reserve the balance of my time.

Mr. MCHENRY. Madam Speaker, I yield 4 minutes to the gentleman from Pennsylvania (Mr. MEUSER) to explain his bill.

Mr. MEUSER. Madam Speaker, I thank Chairman MCHENRY very, very much. I appreciate his leadership on our committee and on this bill.

I do rise in support of my legislation, the China Exchange Rate Transparency Act, H.R. 839, a bipartisan initiative supported by Representatives DONALDS, LOUDERMILK, NICKEL, LAWLER, LEE of Nevada, and DE LA CRUZ.

This legislation confronts the People’s Republic of China’s often deceptive and autocratic exchange rate policies and regular disregard for financial transparency on the international stage.

With this legislation, we are directing and challenging China’s opaque and often manipulative practices in foreign exchange markets, including their policy of accumulating massive foreign currency reserves and depreciating their currency, which undercuts the competitiveness of U.S. exports. By mandating the U.S. executive director at the IMF to use the voice and vote of the United States to advocate for increased exchange rate transparency from China, we are not just advocating for fairness—we are fighting for the integrity of the global economy.

The Department of Treasury’s reports from November 2022 to 2023 lay it out clearly: China’s exchange rate practices are too often shrouded in secrecy, undermining not just the U.S. but the entire global trade system. It is time we confront China’s persistent gaming of international norms. They have been playing by their own rules for too long, and it is detrimental to global economic fairness and stability.

This legislation is not about only singling out China. It is about ensuring

that all IMF members, including China, adhere to the rules that they have agreed to. China has promised to maintain orderly exchange rate arrangements without manipulation. It is our job to hold them to that promise and to ensure they do not continue to exploit the system to their advantage.

We are taking a firm, no-nonsense approach to a complex issue, emphasizing our commitment to fair trade and a transparent global economic system.

I strongly urge my colleagues to support the China Exchange Rate Transparency Act of 2023, H.R. 839. This legislation stands for accountability in international finance, fair trade practices, and the stability of our global economy.

Mrs. BEATTY. Madam Speaker, I yield myself the balance of my time.

Madam Speaker, this legislation builds upon the Biden administration’s efforts to increase transparency and accountability of China on key features of how it sets its currency exchange rate.

It is critical to continue to apply pressure on China in this regard because weaponizing its exchange rate will directly harm the United States’ small businesses selling their products and services here in the United States.

For these reasons, I again urge my colleagues to support this bill, and I yield back the balance of my time.

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Mr. MCHENRY. Madam Speaker, I yield myself the balance of my time.

I reiterate that Mr. MEUSER’s bill will help prevent China from undermining yet another key area of cooperation; and that is the IMF’s monitoring of exchange rates.

Exchange rates affect the cost of goods and services in every district in America. Whether or not China is adhering to international norms affects our economy, it affects the global economy, and we need to address that.

We have legislation that enables us to address that. It enables us to speak in a bipartisan way that China’s currency manipulation we will not stand for as a statement of American policy.

This bill will require the Department of the Treasury to push for greater transparency in China’s exchange rate management during the IMF’s economic reviews of China. That is the way we are going to do it.

We have sound policy. I urge my colleagues to support it, and I thank my Democratic colleagues and Republican colleagues on committee for working together on this bill, as well as Mr. MEUSER of Pennsylvania for his leadership on this important issue.

Madam Speaker, I urge adoption of this bill, and I yield back the balance of my time.

The SPEAKER pro tempore (Ms. VAN DUYNE). The question is on the motion offered by the gentleman from North Carolina (Mr. MCHENRY) that the House suspend the rules and pass the bill, H.R. 839, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Mr. MCHENRY. Madam Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this motion will be postponed.

OFAC LICENSURE FOR INVESTIGATORS ACT

Mr. MCHENRY. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 6370) to require the Office of Foreign Assets Control to develop a program under which private sector firms may receive a license to conduct nominal financial transactions in furtherance of the firms' investigations, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 6370

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 "OFAC Licensure for Investigators Act".

SEC. 2. SENDING AND RECEIVING OF NOMINAL AMOUNTS.

(a) IN GENERAL.—The Director of the Office of Foreign Assets Control shall, not later than 1 year after the date of the enactment of this section, establish a pilot program under which a private sector firm may receive a license to conduct nominal financial transactions in furtherance of the firm's investigations.

(b) COORDINATION.—When establishing and carrying out the pilot program required under subsection (a), the Director of the Office of Foreign Assets Control shall coordinate with the Director of the Financial Crimes Enforcement Network for the purposes of supporting activities of the Financial Crimes Enforcement Network Exchange, as described in section 310(d) of title 31 of the United States Code.

(c) REPORTING ON ACTIVITIES.—Each private sector firm that receives a license described under subsection (a) shall submit a detailed monthly report to the Director of the Office of Foreign Assets Control on the activities of the firm conducted under such license.

(d) REPORT TO CONGRESS.—

(1) IN GENERAL.—On the date that is 1 year after the date on which the pilot program is established under this section, and annually thereafter until the end of the 1-year period beginning on the date the pilot program is terminated, the Director of the Office of Foreign Assets Control shall submit a report to the Committees on Financial Services and Foreign Affairs of the House of Representatives and the Committees on Banking, Housing, and Urban Affairs and Foreign Relations of the Senate containing—

(A) the number of licenses requested under the pilot program;

(B) the number of licenses granted under the pilot program; and

(C) a broad discussion of the utility of the pilot program.

(2) CLASSIFIED BRIEFING.—After submission of each report required under paragraph (1), the Director of the Office of Foreign Assets Control shall provide the Committees on Fi-

ancial Services and Foreign Affairs of the House of Representatives and the Committees on Banking, Housing, and Urban Affairs and Foreign Relations of the Senate with a classified briefing containing—

(A) additional detail on the applicants for a license under the pilot program;

(B) identification of the firms granted a license;

(C) information on the operation of the pilot program, including how long each license lasted and the personnel needed to manage the pilot program;

(D) information gleaned by the Office of Foreign Assets Control from running the pilot program;

(E) the utility of that information;

(F) any obstacles to the operation or utility of the pilot program; and

(G) any recommendations for improving or extending the pilot program.

(e) TERMINATION.—The pilot program established by the Director of the Office of Foreign Assets Control under subsection (a) shall terminate on the date that is 5 years after the date on which the Director of the Office of Foreign Assets Control establishes such program.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from North Carolina (Mr. MCHENRY) and the gentlewoman from Ohio (Mrs. BEATTY) each will control 20 minutes.

The Chair recognizes the gentleman from North Carolina.

GENERAL LEAVE

Mr. MCHENRY. Madam Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks and include extraneous material on the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. MCHENRY. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I rise in support of H.R. 6370, the OFAC Licensure for Investigators Act, introduced by my friend, the ranking member of the National Security, Illicit Finance, and International Financial Institutions Subcommittee, Mrs. BEATTY.

The gentlewoman from Ohio has been an adept legislator in committee and great as an ally and fearsome as a foe. It has been good to work with her on solid policy.

I think this is an important matter for us. Illicit finance internationally and domestically is something we want to tackle, and we want to tackle this through solid policy that can be passed in a bipartisan way.

Since Hamas' October 7 terrorist attack on Israel, we have witnessed the ramifications of bad actors using the financial system to further their acts of terrorism.

This bill would enhance the tools in Treasury's arsenal to go after sanctioned individuals and entities while also holding them accountable in their financial activities.

There is already a well-established practice in traditional financial investigations where a law enforcement agency can request that financial institutions keep open criminal accounts in

order to help track the illicit flows of money.

This bill mirrors that practice.

The bill requires the Secretary of the Treasury to develop a pilot program administered by the Office of Foreign Assets Control to allow private sector firms under a temporary and specific license to conduct nominal financial transactions to and through sanctioned entities to further their investigations.

OFAC, the Office of Foreign Assets Control, is a very important tool, one of our most powerful tools of protecting free people around the world and the flow of funds and tracking those flow of funds.

OFAC's licenses are authorized to OFAC to engage in transactions that would otherwise be prohibited. Mrs. BEATTY's bill would allow, for example, blockchain analytics firms to work with OFAC to trace wallets controlled by bad actors. The power of blockchain lies within its immutable ledger that cannot be altered and allows analysis firms to see the movement of value every step along the way.

Mrs. BEATTY's bill is a crucial step in the right direction. The Treasury Department will be required to keep Congress informed of OFAC's activities and findings under the license. With strict oversight and Treasury's ability to continue to follow the money and follow the value, the United States will be better positioned to go after terrorists and other bad actors and entities.

I thank Mrs. BEATTY for her legislation and for her important work on this topic, and I urge my colleagues to support it.

Madam Speaker, I reserve the balance of my time.

HOUSE OF REPRESENTATIVES,

COMMITTEE ON FOREIGN AFFAIRS,

Washington, DC, January 5, 2024.

Hon. PATRICK MCHENRY,

Chairman, Committee on Financial Services, Washington, DC.

DEAR CHAIRMAN MCHENRY: Thank you for consulting with the Committee on Foreign Affairs on H.R. 6370, the OFAC Licensure for Investigators Act. Based on your commitment to incorporate agreed edits into the suspension text, I agree that Foreign Affairs may be discharged from further consideration of the bill, so that it may proceed expeditiously to the House Floor.

This agreement is made with the understanding that it does not in any way diminish or alter the jurisdiction of the Committee on Foreign Affairs, or prejudice our jurisdictional prerogatives on this measure or similar legislation in the future.

Thank you for agreeing to place our exchange of letters into the Record during Floor consideration. I look forward to continuing to work together as this bill moves through the legislative process.

Sincerely,

MICHAEL MCCAUL,

Chairman.

HOUSE OF REPRESENTATIVES,

COMMITTEE ON FINANCIAL SERVICES,

Washington, DC, January 4, 2024.

Hon. MICHAEL MCCAUL,

Chairman, Committee on Foreign Affairs, Washington, DC.

DEAR CHAIRMAN MCCAUL: Thank you for agreeing to be discharged from further consideration of H.R. 6370, the OFAC Licensure