The Chinese Government has a nasty tendency of doing what I call rob, replicate, and replace. They take our intellectual property. They replicate it. They make it slightly better, slightly cheaper, and then replace it on the open market and compromise our technical advantages.

These researchers in these universities may often be ensnared by China without even knowingly being ensnared and can unwittingly hand our enemies an advantage in technological advancements.

In order to address this, Congresswoman STEVENS and I introduced H.R. 7686, which updates and clarifies the definition of ''malign foreign talent recruitment programs'' to protect our national investments.

My bill is a simple, noncontroversial, bipartisan solution that ensures our taxpayer dollars and the research they fund are being protected from the CCP and their espionage behavior.

I thank Chairman LUCAS and the entire committee, again, for their support on this legislation. I urge my colleagues to support this bill.

Mr. CASTEN. Mr. Speaker, I close simply by thanking Mr. GARCIA and Ms. STEVENS on our side for all of their hard work on this extremely well-constructed bill. I urge all of my colleagues to vote ''yes'' on H.R. 7686.

Mr. Speaker, I yield back the balance of my time.

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

Mr. Speaker, as you have heard today, H.R. 7686 is smart policy that will protect taxpayer-funded research from being stolen and misused by our adversaries. We want to give our scientific agencies and universities every tool they need to protect critical research. This bill does that and helps us better implement the CHIPS and Science Act.

I thank Representative GARCIA for his work on this issue, and I urge all of my colleagues to pass this important piece of legislation.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. THOMPSON of Pennsylvania). The question is on the motion offered by the gentleman from Oklahoma (Mr. LUCAS) that the House suspend the rules and pass the bill, H.R. 7686, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

CHINESE CURRENCY ACCOUNTABILITY ACT OF 2023

Mrs. KIM of California. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 510) to require the United States Governor of, and the United States Executive Director at, the International Monetary Fund to oppose an increase in the weight of the Chinese renminbi in the Special Drawing Rights basket of the Fund, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 510

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 ''Chinese Currency Accountability Act of 2023''.

SEC. 2. OPPOSITION OF THE UNITED STATES TO AN INCREASE IN THE WEIGHT OF THE CHINESE RENMINBI IN THE SPECIAL DRAWING RIGHTS BASKET OF THE INTERNATIONAL MONETARY FUND.

The Secretary of the Treasury shall instruct the United States Governor of, and the United States Executive Director at, the International Monetary Fund to use the voice and vote of the United States to oppose any increase in the weight of the Chinese renminbi in the basket of currencies used to determine the value of Special Drawing Rights, unless the Secretary of the Treasury has submitted to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate a written report which includes a certification that—

(1) the People's Republic of China is in compliance with all its obligations under Article VIII of the Articles of Agreement of the Fund;

(2) in the preceding 12 months, there has not been a report submitted under section 3005 of the Omnibus Trade and Competitiveness Act of 1988 or section 701 of the Trade Facilitation and Trade Enforcement Act of 2015 in which the People's Republic of China has been found to have manipulated its currency; and

(3) the People's Republic of China adheres to the rules and principles of the Paris Club and the OECD Arrangement on Officially Supported Export Credits.

SEC. 3. SUNSET.

Section 2 shall have no force or effect beginning 10 years after the date of the enactment of this Act.

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from California (Mrs. KIM) and the gentleman from California (Mr. SHERMAN) each will control 20 minutes.

The Chair recognizes the gentlewoman from California.

GENERAL LEAVE

Mrs. KIM of California. 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 this bill.

The SPEAKER pro tempore (Mr. RULLI). Is there objection to the request of the gentlewoman from California?

There was no objection.

Mrs. KIM of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today, I rise in support of the Chinese Currency Accountability Act sponsored by the gentleman from Ohio (Mr. DAVIDSON).

In 2016, the International Monetary Fund included the Chinese renminbi, RMB, in the currency basket that determines the value and interest rate for Special Drawing Rights, known as SDRs. SDRs are both reserve assets and an accounting unit for the IMF, so they play a central role in the Fund's lending throughout the world.

It was premature for the Fund to let the RMB influence the SDR, whose value had previously been determined only by the dollar, euro, yen, and pound.

The PRC has failed to make the serious reforms that would justify labeling the RMB a major currency. In addition, the People's Bank of China was and remains a tool of the Chinese Communist Party, not an independent central bank.

The Treasury Department knows this all too well. Every year, it reports to Congress that China's currency management is so opaque that it is difficult for the outside world to even understand Beijing's policy toward the RMB.

In addition, Beijing's lending policies abroad, including through the Belt and Road Initiative, have saddled developing countries with so much debt that the IMF faces difficulties designing rescue programs.

It is difficult to know how much debt these countries are in. The CCP refuses to play by the multilateral rules of the road to not only be transparent about the debt but to significantly restructure it. This has become one of the most acute threats to the mission of the Fund.

Nevertheless, in 2022, Treasury signed off when the IMF voted to increase the weight of the RMB in the SDR currency basket. As a result of this shocking decision, the RMB has now become the third most important currency in the basket, behind the dollar and euro.

This is why Mr. DAVIDSON's bill is critical. H.R. 510 will prevent future increases to the RMB's weight at the IMF until China starts playing by the rules.

This is a commonsense measure that was unanimously supported when the Financial Services Committee marked it up last year.

I commend Mr. DAVIDSON for his clear-eyed piece of legislation to hold Beijing accountable, and I urge my colleagues to support it.

Mr. Speaker, I reserve the balance of my time.

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

Mr. Speaker, I rise in support of H.R. 510, the Chinese Currency Accountability Act of 2023, sponsored by Representative DAVIDSON. This bill is related to the International Monetary Fund's Special Drawing Rights, known as SDRs, and the influence of China's currency in the SDR program.

SDRs are international assets created by the International Monetary Fund, the IMF, to supplement member countries' foreign exchange reserves, and they can enable member countries to reduce their reliance on domestic or external debt when building those reserves.

SDRs can be converted into government-issued currency, such as the dollar, the yuan, or the pound, assuming that there are not sanctions or other prohibitions that would prevent such financial transactions.

□ 1430

The value of an IMF member's SDRs is defined by a basket of currencies, which are a mix of five globally important currencies, sometimes called fiat currencies in that they are issued by governments or, in the case of a euro, an association of governments. Those five currencies that are behind the SDRs are the U.S. dollar, the euro, the Chinese yuan, the Japanese yen, and the British pound.

The key thing here is that the percentage of that basket that is comprised of the Chinese currency was increased in 2022 and now is at 12 percent of the total, compared to the U.S. dollar, which is at 43 percent of the total.

The bill would require the Treasury Secretary to oppose at the IMF any future percentage increase in the weight of the Chinese currency in that SDR currency basket. The bill would allow a waiver of such provision to the executive branch should the Secretary of the Treasury be able to certify to Congress that China meets certain standards.

Those standards include that China is in compliance with all of its obligations under article VIII of the Articles of Agreement of the IMF; second, that there has not been certain reports submitted in the prior 12 months indicating that China is engaging in currency manipulation; and, third, that China is adhering to the rules and principles of the Paris Club and the OECD Arrangement on officially supported export credits.

Mr. Speaker, I will note that the Department of the Treasury has expressed some concerns about this bill, especially due to the fact that the Department of the Treasury does not have visibility into China's confidential provisions of data to the IMF and may not be able to independently certify that China is complying with the IMF and other global obligations.

As a result, China has indicated that it may be difficult to certify whether China has met the standards outlined in that bill that underlie the possibility of a waiver of its provisions.

These are reasonable concerns. Democrats on the Financial Services Committee have urged our Republican colleagues to work to improve the bill before it is finally enacted into law. That might include allowing the Department of the Treasury to rely on certifications from the IMF as to whether China is meeting its responsibilities looking at that confidential information that is provided by China to the IMF.

In any case, this bill moves us forward. I am sure that, through the legislative process, there will be some improvements.

Mr. Speaker, I urge my colleagues to support this bill, and I reserve the balance of my time.

Mrs. KIM of California. Mr. Speaker, I yield such time as he may consume to the gentleman from Ohio (Mr. DAVIDSON).

Mr. DAVIDSON. Mr. Speaker, I rise in support of H.R. 510, the Chinese Currency Accountability Act. I was proud to introduce this measure last year, which the Financial Services Committee embraced with a vote of 40–0.

Mr. Speaker, the International Monetary Fund acts as the world's lender of last resort, and its Special Drawing Rights serve as a unit of account for its activities. SDRs are also important reserve assets on the balance sheet of central banks. As such, SDR holdings can earn interest, and SDR liabilities can incur costs.

Prior to 2016, both the value and interest rate of the Special Drawing Rights was determined by major currencies issued by market economies and their central banks and overseen by democratic governments. They were the dollar, the euro, the yen, and the pound sterling.

China is not a market economy, so it is astonishing that the International Monetary Fund, with the approval of the current Treasury Department, then decided to add the Chinese renminbi to its currency basket. On a number of measures, the renminbi was nowhere near the level of these other currencies, and, of course, the Chinese Central Bank is the furthest thing from what one would call independent or representative of a market economy. This is still the case today.

Even more bewildering was the 2022 decision to increase the renminbi's weight, the proportion of influence it has, within the currency basket.

By this time, it was not only clear that China's exchange rate management remains subject to the whims of the Chinese Communist Party, but the IMF also knew that China's predatory lending to developing countries was putting the viability of IMF programs in jeopardy. In fact, China's Belt and Road Initiative is designed to undermine the International Monetary Fund, so why would IMF grow the rate or influence of it after having already made the mistake of even including it?

Currently, China's Communist Party is an economic and strategic rival, and hopefully it remains a rival in the market. However, China should not be allowed to skirt the rules at the expense of American taxpayers and at the expense of our market.

It is unacceptable for the IMF to preach to the world on debt transparency, the rule of law, and central bank independence while it is rewarding the Communist Party in China for violating every single one of these principles.

Our legislation says enough is enough. It requires the Treasury Department to oppose further increases of the renminbi for the IMF's currency basket until Treasury can certify that China is complying with the rules of the road.

As a member of the World Trade Organization and other international organizations China is part of, if we follow the rules, China should be held to the same standards. Of course, they are not doing that. It would include upholding China's obligations under the IMF's Articles of Agreement and complying with the same lending rules that other large economies have committed to.

This also means China would have to take significant steps toward restructuring its Belt and Road loans so that they are not actually working to undermine the IMF. In other words, the Chinese Currency Accountability Act isn't about holding China to different standards, but, rather, holding them to the exact same standards everyone else is held to.

Mr. Speaker, I urge all of my colleagues to support this measure.

Mr. SHERMAN. Mr. Speaker, I yield myself the balance of my time to close.

Mr. Speaker, in an effort to expand both its economy and global influence, China has been accused of manipulating its currency. Concerns about this abound and have been well expressed by Mr. DAVIDSON. This is especially concerning when it regards items that affect American interests at international institutions, such as the IMF.

This bill would empower the Department of the Treasury to address that issue and, in fact, require them to address that issue. I think that it is going to be an effective tool for us to deal with China, an important nation that doesn't always play by the rules.

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

Mrs. KIM of California. Mr. Speaker, I urge my colleagues to support H.R. 510, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from California (Mrs. KIM) that the House suspend the rules and pass the bill, H.R. 510, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

TAIWAN CONFLICT DETERRENCE ACT OF 2023

Mrs. KIM of California. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 554) to deter Chinese aggression towards Taiwan by requiring the Secretary of the Treasury to publish a report on financial institutions and accounts connected to senior officials of the People's Republic of China, to restrict financial services for certain immediate family of such officials, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 554

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,