

**AMENDMENT TO RULES COMMITTEE PRINT 116-**

**57**

**OFFERED BY MR. GONZALEZ OF OHIO**

Page 1115, after line 5, insert the following:

1                   **Subtitle F—Taiwan Non-**  
2                   **Discrimination**

3 **SEC. 1771. SHORT TITLE.**

4           This subtitle may be cited as the “Taiwan Non-Dis-  
5 crimination Act of 2020”.

6 **SEC. 1772. FINDINGS.**

7           The Congress finds as follows:

8                   (1) As enshrined in its Articles of Agreement,  
9           the International Monetary Fund (IMF) is devoted  
10          to promoting international monetary cooperation, fa-  
11          cilitating the expansion and balanced growth of  
12          international trade, encouraging exchange stability,  
13          and avoiding competitive exchange depreciation.

14                  (2) Taiwan is the 22nd largest economy in the  
15          world and the 10th largest goods trading partner of  
16          the United States.

17                  (3) Although Taiwan is not an IMF member, it  
18          is a member of the World Trade Organization, the

1 Asian Development Bank, and the Asia-Pacific Eco-  
2 nomic Cooperation forum.

3 (4) According to the January 2020 Report on  
4 Macroeconomic and Foreign Exchange Policies of  
5 Major Trading Partners of the United States, pub-  
6 lished by the Department of the Treasury, Taiwan  
7 held \$471,900,000,000 in foreign exchange reserves,  
8 more than major economies such as India, South  
9 Korea, and Brazil.

10 (5) According to section 4(d) of the Taiwan Re-  
11 lations Act (Public Law 96–8), enacted on April 10,  
12 1979, “Nothing in this Act may be construed as a  
13 basis for supporting the exclusion or expulsion of  
14 Taiwan from continued membership in any inter-  
15 national financial institution or any other inter-  
16 national organization.”.

17 (6) Taiwan held membership in the IMF for 9  
18 years following the recognition of the People’s Re-  
19 public of China (PRC) by the United Nations, and  
20 16 Taiwan staff members at the Fund were allowed  
21 to continue their employment after the PRC was  
22 seated at the IMF in 1980. As James M. Boughton  
23 has noted in his *Silent Revolution: The International  
24 Monetary Fund 1979–1989*, even as the PRC was  
25 seated, the United States Executive Director to the

1 IMF, Sam Y. Cross, expressed support on behalf of  
2 the United States government for “some kind of as-  
3 sociation between Taiwan and the Fund”.

4 (7) On September 27, 1994, in testimony be-  
5 fore the Senate Committee on Foreign Relations re-  
6 garding the 1994 Taiwan Policy Review, then-As-  
7 sistant Secretary of State for East Asian and Pacific  
8 Affairs Winston Lord stated: “Recognizing Taiwan’s  
9 important role in transnational issues, we will sup-  
10 port its membership in organizations where state-  
11 hood is not a prerequisite, and we will support op-  
12 portunities for Taiwan’s voice to be heard in organi-  
13 zations where its membership is not possible.”.

14 (8) The Congress has repeatedly reaffirmed  
15 support for this policy, including in Public Laws  
16 107–10, 107–158, 108–28, 108–235, 113–17, and  
17 114–139, and the unanimous House and Senate  
18 passage of the Taiwan Allies International Protec-  
19 tion and Enhancement Initiative (TAIPEI) Act of  
20 2019.

21 (9) In its fact sheet, entitled “U.S. Relations  
22 with Taiwan”, published on August 31, 2018, the  
23 Department of State asserts: “The United States  
24 supports Taiwan’s membership in international orga-  
25 nizations that do not require statehood as a condi-

1       tion of membership and encourages Taiwan’s mean-  
2       ingful participation in international organizations  
3       where its membership is not possible.”.

4           (10) According to the Articles of Agreement of  
5       the IMF, “membership shall be open to other coun-  
6       tries”, subject to conditions prescribed by the Board  
7       of Governors of the IMF.

8           (11) In the IMF publication “Membership and  
9       Nonmembership in the International Monetary  
10      Fund: A Study in International Law and Organiza-  
11      tion”, Joseph Gold, the then-General Counsel and  
12      Director of the Legal Department of the IMF, elabo-  
13      rated on the differences between the terms “coun-  
14      tries” and “states”, noting that “the word ‘country’  
15      may have been adopted because of the absence of  
16      agreement on the definition of a ‘state’” and, with  
17      respect to the use of “countries” and applications  
18      for IMF membership, “the absence of any adjective  
19      in the Articles emphasizes the breadth of the discre-  
20      tion that the Fund may exercise in admitting coun-  
21      tries to membership”. According to Mr. Gold, “the  
22      desire to give the Fund flexibility in dealing with ap-  
23      plications may explain not only the absence of any  
24      adjective that qualifies ‘countries’ but also the choice  
25      of that word itself”.

1           (12) In his IMF study, Mr. Gold further ob-  
2           serves, “in the practice of the Fund the concepts of  
3           independence and sovereignty have been avoided on  
4           the whole as a mode of expressing a criterion for  
5           membership in the Fund”. He continues, “Although  
6           the Fund usually takes into account the recognition  
7           or nonrecognition of an entity as a state, there are  
8           no rules or even informal understandings on the ex-  
9           tent to which an applicant must have been recog-  
10          nized by members or other international organiza-  
11          tions before the Fund will regard it as eligible for  
12          membership.”. In fact, when considering an applica-  
13          tion for membership where the status of an appli-  
14          cant may not be resolved, Mr. Gold writes “there  
15          have been occasions on which the Fund has made a  
16          finding before decisions had been taken by the  
17          United Nations or by most members or by members  
18          with a majority of the total voting power.” Mr. Gold  
19          concludes, “the Fund makes its own findings on  
20          whether an applicant is a ‘country’, and makes them  
21          solely for its own purposes.”.

22           (13) Although not a member state of the  
23           United Nations, the Republic of Kosovo is a member  
24           of both the IMF and the World Bank, having joined  
25           both organizations on June 29, 2009.

1 **SEC. 1773. SENSE OF THE CONGRESS.**

2 It is the sense of the Congress that—

3 (1) the size, significance, and connectedness of  
4 the Taiwan economy highlight the importance of  
5 greater participation by Taiwan in the International  
6 Monetary Fund, given the purposes of the Fund ar-  
7 ticulated in its Articles of Agreement; and

8 (2) the experience of Taiwan in developing a vi-  
9 brant and advanced economy under democratic gov-  
10 ernance and the rule of law should inform the work  
11 of the international financial institutions, including  
12 through increased participation by Taiwan in the in-  
13 stitutions.

14 **SEC. 1774. CONDITION ON IMF QUOTA INCREASE FOR THE**  
15 **PEOPLE'S REPUBLIC OF CHINA.**

16 (a) IN GENERAL.—The United States Governor of  
17 the International Monetary Fund (in this section referred  
18 to as the “Fund”) shall use the voice and vote of the  
19 United States to oppose, and may not consent to, an in-  
20 crease in the quota of the People’s Republic of China in  
21 the Fund, unless the Secretary of the Treasury reports  
22 to the Congress that—

23 (1) the Board of Governors of the Fund is con-  
24 sidering admission of Taiwan as a member of the  
25 Fund, pursuant to the recommendation of the Board  
26 of Executive Directors of the Fund; or

1           (2) Taiwan enjoys meaningful participation in  
2           the Fund, including through—

3                   (A) participation in regular surveillance ac-  
4                   tivities of the Fund with respect to the eco-  
5                   nomic and financial policies of Taiwan, con-  
6                   sistent with Article IV consultation procedures  
7                   of the Fund;

8                   (B) employment opportunities for Taiwan  
9                   nationals, without regard to any consideration  
10                  that, in the determination of the Secretary,  
11                  does not generally restrict the employment of  
12                  nationals of member countries of the Fund; and

13                  (C) the ability to receive appropriate tech-  
14                  nical assistance and training by the Fund.

15           (b) WAIVER.—The Secretary of the Treasury may  
16           waive subsection (a) of this section with respect to a pro-  
17           posal on reporting to the Congress that providing the  
18           waiver will substantially promote the objective of securing  
19           more equitable treatment of Taiwan at each international  
20           financial institution (as defined in section 1701(c)(2) of  
21           the International Financial Institutions Act).

22           (c) SUNSET.—This section shall have no force or ef-  
23           fect beginning with the date that is 7 years after the date  
24           of the enactment of this Act.

1 **SEC. 1775. ENSURING NON-DISCRIMINATION WITH RE-**  
2 **SPECT TO TRAVEL POLICIES AT THE INTER-**  
3 **NATIONAL FINANCIAL INSTITUTIONS.**

4 (a) IN GENERAL.—The Secretary shall instruct the  
5 United States Executive Director at each international fi-  
6 nancial institution to use the voice and vote of the United  
7 States to ensure that the travel policies and procedures  
8 of the respective institution with respect to Taiwan as a  
9 destination or transit point do not impose any administra-  
10 tive conditions, including through restrictions on logistical  
11 arrangements or meeting participants, that do not gen-  
12 erally apply to a member country of the institution as a  
13 destination or transit point, except as required temporarily  
14 for reasons of public safety or public health.

15 (b) DEFINITIONS.—In this section:

16 (1) INTERNATIONAL FINANCIAL INSTITU-  
17 TION.—The term “international financial institu-  
18 tion” has the meaning given the term in section  
19 1701(e)(2) of the International Financial Institu-  
20 tions Act.

21 (2) SECRETARY.—The term “Secretary” means  
22 the Secretary of the Treasury.

23 (c) WAIVER.—The Secretary may waive subsection  
24 (a) with respect to an international financial institution  
25 for up to 1 year at a time on reporting to the Congress  
26 that providing the waiver—



1           (1) will substantially promote the objective of  
2           securing more equitable treatment of Taiwan at the  
3           international financial institution; or

4           (2) is in the national interest of the United  
5           States, with a detailed explanation of the reasons  
6           therefor.

7           (d) PROGRESS REPORT.—The Chairman of the Na-  
8           tional Advisory Council on International Monetary and Fi-  
9           nancial Policies shall submit to the Congress an annual  
10          report that describes the progress made in advancing the  
11          travel policies and procedures described in subsection (a),  
12          and may consolidate that report with the annual report  
13          required by section 1701 of the International Financial  
14          Institutions Act or any other report required to be sub-  
15          mitted to the Secretary.

16          (e) SUNSET.—This section shall have no force or ef-  
17          fect beginning with the earlier of—

18                 (1) the date that is 7 years after the date of the  
19                 enactment of this Act; or

20                 (2) the date on which the Secretary reports to  
21                 the Congress that each international financial insti-  
22                 tution has adopted the travel policies and procedures  
23                 described in subsection (a).

1 **SEC. 1776. TESTIMONY REQUIREMENT.**

2       In each of the next 7 years in which the Secretary  
3 of the Treasury is required by section 1705(b) of the  
4 International Financial Institutions Act to present testi-  
5 mony, the Secretary shall include in the testimony a de-  
6 scription of the efforts of the United States to support  
7 the greatest participation practicable by Taiwan at each  
8 international financial institution (as defined in section  
9 1701(c)(2) of such Act).

