

AMENDMENT TO RULES COMMITTEE PRINT 117-

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OFFERED BY MR. GONZALEZ OF OHIO

Page 1262, after line 23, insert the following:

1 **SEC. ____ . MORE EQUITABLE TREATMENT OF TAIWAN AT**
2 **THE INTERNATIONAL FINANCIAL INSTITU-**
3 **TIONS.**

4 (a) FINDINGS.—Congress finds as follows:

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

11 (2) Taiwan is the 21st largest economy in the
12 world and the 10th largest goods trading partner of
13 the United States.

14 (3) Although Taiwan is not an IMF member, it
15 is a member of the World Trade Organization, the
16 Asian Development Bank, and the Asia-Pacific Eco-
17 nomic Cooperation forum.

18 (4) According to the January 2020 Report on
19 Macroeconomic and Foreign Exchange Policies of

1 Major Trading Partners of the United States, pub-
2 lished by the Department of the Treasury, Taiwan
3 held \$471,900,000,000 in foreign exchange reserves,
4 more than major economies such as India, South
5 Korea, and Brazil.

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

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

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

11 (8) The Congress has repeatedly reaffirmed
12 support for this policy, including in Public Laws
13 107–10, 107–158, 108–28, 108–235, 113–17, and
14 114–139, and the unanimous House and Senate
15 passage of the Taiwan Allies International Protec-
16 tion and Enhancement Initiative (TAIPEI) Act of
17 2019.

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

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

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

23 (12) In his IMF study, Mr. Gold further ob-
24 serves, “in the practice of the Fund the concepts of
25 independence and sovereignty have been avoided on

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

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

23 (14) On October 26, 2021, Secretary of State
24 Antony Blinken issued a statement in support of
25 Taiwan’s “robust, meaningful participation” in the

1 United Nations system, which includes the IMF, the
2 World Bank, and other specialized United Nations
3 agencies. Secretary of State Blinken noted, “As the
4 international community faces an unprecedented
5 number of complex and global issues, it is critical for
6 all stakeholders to help address these problems. This
7 includes the 24 million people who live in Taiwan.
8 Taiwan’s meaningful participation in the UN system
9 is not a political issue, but a pragmatic one.”. He
10 continued, “Taiwan’s exclusion undermines the im-
11 portant work of the UN and its related bodies, all
12 of which stand to benefit greatly from its contribu-
13 tions.”.

14 (b) SENSE OF THE CONGRESS.—It is the sense of
15 the Congress that—

16 (1) the size, significance, and connectedness of
17 the Taiwanese economy highlight the importance of
18 greater participation by Taiwan in the International
19 Monetary Fund, given the purposes of the Fund ar-
20 ticulated in its Articles of Agreement; and

21 (2) the experience of Taiwan in developing a vi-
22 brant and advanced economy under democratic gov-
23 ernance and the rule of law should inform the work
24 of the international financial institutions, including

1 through increased participation by Taiwan in the in-
2 stitutions.

3 (c) SUPPORT FOR TAIWAN ADMISSION TO THE
4 IMF.—

5 (1) IN GENERAL.—The United States Governor
6 of the International Monetary Fund (in this sub-
7 section referred to as the “Fund”) shall use the
8 voice and vote of the United States to vigorously
9 support—

10 (A) the admission of Taiwan as a member
11 of the Fund;

12 (B) participation by Taiwan in regular sur-
13 veillance activities of the Fund with respect to
14 the economic and financial policies of Taiwan,
15 consistent with Article IV consultation proce-
16 dures of the Fund;

17 (C) employment opportunities for Taiwan
18 nationals, without regard to any consideration
19 that, in the determination of the United States
20 Governor, does not generally restrict the em-
21 ployment of nationals of member countries of
22 the Fund; and

23 (D) the ability of Taiwan to receive appro-
24 priate technical assistance and training by the
25 Fund.

1 (2) WAIVER.—The Secretary of the Treasury
2 may waive any requirement of paragraph (1) for 1
3 year at a time on reporting to Congress that pro-
4 viding the waiver will substantially promote the ob-
5 jective of securing the meaningful participation of
6 Taiwan at each international financial institution (as
7 defined in section 1701(c)(2) of the International
8 Financial Institutions Act).

9 (3) SUNSET.—This subsection shall have no
10 force or effect on the earlier of—

11 (A) the date of approval by the Board of
12 Governors of the Fund for the admission of
13 Taiwan as a member of the Fund; or

14 (B) the date that is 10 years after the date
15 of the enactment of this Act.

16 (d) TESTIMONY REQUIREMENT.—In each of the next
17 7 years in which the Secretary of the Treasury is required
18 by section 1705(b) of the International Financial Institu-
19 tions Act to present testimony, the Secretary shall include
20 in the testimony a description of the efforts of the United
21 States to support the greatest participation practicable by
22 Taiwan at each international financial institution (as de-
23 fined in section 1701(c)(2) of such Act).

