[~118H605]

[DISCUSSION DRAFT]

119TH CONGRESS
1ST SESSION

H. R. _____

To amend the Special Drawing Rights Act in order to strengthen congressional oversight with respect to allocations of Special Drawing Rights by the International Monetary Fund, and to prohibit such allocations for perpetrators of genocide and state sponsors of terrorism without congressional authorization, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

M__. _____ introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the Special Drawing Rights Act in order to strengthen congressional oversight with respect to allocations of Special Drawing Rights by the International Monetary Fund, and to prohibit such allocations for perpetrators of genocide and state sponsors of terrorism without congressional authorization, and for other purposes.

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 ''Special Drawing Rights Oversight Act of 2025''.

SEC. 2. FINDINGS.

The Congress finds as follows:

(1) The allocation of Special Drawing Rights (SDRs) through the International Monetary Fund (IMF) creates unconditional liquidity for IMF member countries.

(2) According to article XVIII of the Articles of Agreement of the IMF, allocations of SDRs ''shall seek to meet the long-term global need'' in reserve assets.

(3) SDRs are allocated in proportion to the quotas of IMF members, such that the G20 alone is entitled to approximately two-thirds of a general allocation. At the same time, the Board of Governors of the Federal Reserve System has swap line arrangements with the central banks of eight G20 members, including the European Central Bank, the Bank of Japan, and the Bank of England, for the purpose of providing sufficient liquidity.

(4) The size of SDR allocations has expanded dramatically, rising from 9,300,000,000 SDRs in 1970–1972, to 12,100,000,000 SDRs in 1979–1981, to 204,000,000,000 SDRs in 2009, with proposals

for a new, unilateral allocation that bypasses congressional authorization in an amount of approximately 450,000,000,000 SDRs.

(5) Under current law, the Secretary of the Treasury is able to bypass Congress and approve an allocation of SDRs in a manner that provides unconditional liquidity in the following approximate amounts: $41,700,000,000 to the People's Republic of China; $17,600,000,000 to the Russian Federation; $4,900,000,000 to the Islamic Republic of Iran, and $5,000,000,000 to Venezuela. In addition, current law permits allocations in these amounts to be made in successive years that span two basic periods.

(6) In the 98th Congress, the House of Representatives passed the bipartisan International Recovery and Financial Stability Act, which would have prohibited new allocations of SDRs without congressional authorization.

SEC. 3. STRENGTHENING CONGRESSIONAL OVERSIGHT.

Section 6 of the Special Drawing Rights Act (22 U.S.C. 286q) is amended—

(1) in subsection (a)—

(A) by striking ''each basic period'' and inserting ''any 10-year period''; and

(B) by inserting ''25 percent of'' before ''the United States quota''; and

(2) in subsection (b)—

(A) by inserting '', or consent to or acquiesce in such an allocation,'' before ''without consultations'';

(B) by striking ''90'' and inserting ''180''; and

(C) by inserting ''Chairman and ranking minority members of'' before ''the appropriate subcommittees''.

SEC. 4. PROHIBITION ON ALLOCATIONS FOR PERPETRATORS OF GENOCIDE AND STATE SPONSORS OF TERRORISM WITHOUT CONGRESSIONAL AUTHORIZATION.

Section 6(b) of the Special Drawing Rights Act (22 U.S.C. 286q(b)) is amended by adding at the end the following:

''(6) Unless Congress by law authorizes such action, neither the President nor any person or agency shall on behalf of the United States vote to allocate Special Drawing Rights under article XVIII, sections 2 and 3, of the Articles of Agreement of the Fund to a member country of the Fund, if the President of the United States has found that the government of the member country—

''(A) has committed genocide at any time during the 10-year period ending with the date of the vote; or

''(B) has repeatedly provided support for acts of international terrorism.''.