

Communiqué

**G20 Finance Ministers and Central Bank Governors Meeting
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1. The global economic recovery is continuing. However, new waves of COVID-19 infections and the emergence of new variants are impacting the pace of recovery. Recovery is expected to be asynchronous, partly due to uneven access, delivery and uptake of vaccines, therapeutics, and diagnostics, with an increased likelihood of narrower and uneven macroeconomic policy space. Supply disruptions, supply-demand mismatches, and increased commodity prices, including energy prices, have also contributed to rising inflationary pressures in a number of countries and pose potential risks to the global economic outlook. We will continue to strengthen the resilience of global supply chains. We remain vigilant of the impacts of these challenges on our economies. We will also continue to monitor major global risks, including from geopolitical tensions that are arising, and macroeconomic and financial vulnerabilities. We will undertake a more systematic analysis of macroeconomic risks stemming from climate change and of the costs and benefits of different transitions. We reaffirm the importance of open and fair rules-based trade in restoring growth and job creation, reiterate our commitment to fight protectionism, and encourage concerted efforts to reform the World Trade Organization. We confirm our April 2021 exchange rate commitments.

2. We will continue to use all available policy tools to address the impacts of the pandemic, in particular on those most impacted, such as women, youth and informal and low-skilled workers, and on inequalities. We reaffirm our commitment to advancing the forward-looking agenda set in the G20 Action Plan and progressing the 2030 Agenda for Sustainable Development to achieve stronger, greener and more balanced global development. While being cautious with the withdrawal, we will adjust and target policy support as appropriate, as our economic recoveries continue. We will preserve financial stability and long-term fiscal sustainability, and safeguard against downside risks and negative spillovers. To support our collective ambition to recover together, recover stronger, we confirm our commitment for well-calibrated, well-planned, and well-communicated exit strategies to support recovery, with due consideration to country-specific circumstances. Inflation rates are currently elevated in many countries. Central banks will act where necessary to ensure price stability in line with their respective mandates, while remaining committed to clear communication of their policy stances. Central bank independence is crucial to achieving these goals and buttressing monetary policy credibility.

3. We emphasize the priority for collective and coordinated action to get the pandemic under control across the world. We remain committed to ensuring safe, timely, equitable and affordable access to vaccines, therapeutics, diagnostics, and personal protective equipment (PPE), particularly for low- and middle-income countries, and reiterate our support for ACT-A and the need to address the financing gaps of all ACT-A pillars. We ask the World Health Organization (WHO), World Bank (WB) and implementing partners to work further with countries to report on obstacles to, and accelerate, vaccine deployment strategies to get more vaccine shots in arms. We welcome the update on the G20 Joint Finance-Health Task Force's agreed work program aimed at enhancing dialogue and global cooperation on issues relating to pandemic prevention, preparedness and response (PPR), and promoting collective action to respond to the pandemic and contributing towards a strengthened global health architecture, while maintaining the crucial leadership role of the WHO in the international health work. The G20 Joint Finance-Health Task Force will aim to develop coordination arrangements between Finance and Health Ministries. We note the initial assessment of the financing gaps for PPR presented by the WHO and the WB, and look forward to the final report, including further detailing of the assessment of existing international financing mechanisms, for pandemic PPR. Informed by this analysis, we will work with G20 Health Ministers to further step up our efforts to respond to the current pandemic, and will review a report from the Task Force in April on modalities to establish a financial facility to ensure adequate and sustained financing for pandemic PPR.

4. To ensure the swift global implementation of the historic OECD/G20 two-pillar international tax package agreed in 2021, we commit to develop the model rules and multilateral instruments according to the timetable provided in the Detailed Implementation Plan, with a view to ensure that the new rules will come into effect at global level in 2023. We welcome the technical design of the Global anti-base erosion Model Rules for Pillar 2 adopted by the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS), and call for their finalization and consistent implementation at a global level as a common approach. We also welcome the ongoing development of the Multilateral Convention for Pillar 1. Bespoke technical assistance will be available to developing countries to support all aspects of implementation. We support the global and regional efforts, including in the Asia-Pacific region, to improve domestic resource mobilization in developing countries through technical assistance and capacity building and welcome the G20 Ministerial Symposium to discuss these issues. We support the progress

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made on implementing internationally agreed tax transparency standards. We ask the OECD to swiftly complete the work on the framework for the automatic exchange of information on crypto-assets. We acknowledge the OECD/G20 Inclusive Framework on BEPS report on Tax Policy and Gender Equality.

5. We reiterate our commitment to strengthening long-term financial resilience of the international financial architecture, including promoting sustainable capital flows and developing local currency capital markets. We will continue our discussion on Central Bank Digital Currencies, to further understand their macro-financial implications for the international monetary and financial system, including for spillovers and capital flows. We look forward to the review of the International Monetary Fund (IMF)'s Institutional View on the liberalization and management of capital flows, informed by, among others, the IMF work on Integrated Policy Framework. We reiterate our commitment to maintaining a strong and effective Global Financial Safety Net with a strong, quota-based, and adequately resourced IMF at its center. We remain committed to revisiting the adequacy of IMF quotas and will continue the process of IMF governance reform under the 16th General Review of Quotas, including a new quota formula as a guide, by 15 December 2023.

6. We will continue to support vulnerable countries affected by the COVID-19 pandemic to ensure we all recover together. We welcome pledges amounting to USD 60 billion through the voluntary channelling of Special Drawing Rights (SDRs) or equivalent contributions and encourage further pledges as a step towards the total global ambition of USD 100 billion of voluntary contributions for countries most in need. We call on the IMF to establish the Resilience and Sustainability Trust (RST) by the 2022 Spring Meetings, and to work with its members to ensure it is operational by the 2022 Annual Meetings, and for it to implement RST support in close collaboration with the WB. We call for further voluntary loan and subsidy contributions to the Poverty Reduction and Growth Trust (PRGT). We remain open to consider viable options to voluntarily channel SDRs through Multilateral Development Banks (MDBs). The reserve assets status of channelled SDRs should be preserved with due consideration to national legal frameworks. We welcome the historic USD 93 billion agreement on the 20th replenishment of the International Development Association (IDA20) reached in December 2021. We welcome members' achievements under the G20 Debt Service Suspension Initiative (DSSI), also agreed by the Paris Club, which ended in December 2021, while noting the lack of private sector participation. The total estimated debt service deferred under the DSSI, between May 2020 and December 2021, is USD 12.9 billion. We welcome the IMF disbursements of USD 26 billion (USD 21.4 billion in net disbursements) to DSSI-eligible countries from April 2020 through December 2021 through its various facilities. We look forward to the Independent Review of MDBs' Capital Adequacy Frameworks. We welcome MDBs' approved commitments to DSSI-eligible countries over the period between April 2020 and December 2021, which totalled USD 100.1 billion. Of these, USD 66.0 billion have been disbursed, equivalent to USD 48.2 billion in net transfers. These efforts are part of our commitments made to support emerging market economies and low-income countries during the pandemic, which have increased to USD 276.4 billion, in excess of the original commitments of USD 230 billion.

7. We welcome efforts to progress the Common Framework for Debt Treatment beyond the DSSI, and reiterate our commitment to step up our efforts to implement it in a timely, orderly and coordinated manner. These enhancements would give more certainty to debtor countries and facilitate the IMF's and MDBs' quick provision of financial support. We note that Creditor Committees may discuss and find appropriate solutions on a case-by-case basis, for those countries who have requested debt treatment. We note that Chad, Ethiopia and Zambia have requested debt treatment under the Common Framework. We look forward to relevant Creditor Committees' efforts to conclude the Chad and Ethiopia debt treatment, and encourage G20 and Paris Club creditors to work on the requested debt treatment from Zambia in a timely manner. We continue to support early engagement of borrower countries with official bilateral and private creditors. We stress the importance for private creditors and other official bilateral creditors to commit to providing debt treatments on terms at least as favourable, to ensure fair burden sharing in line with the comparability of treatment principle. We recall the forthcoming work of the MDBs, as stated in the Common Framework, in light of debt vulnerabilities. We affirm the importance of joint efforts by all actors, including private creditors, to continue working toward enhancing debt transparency. We welcome the launch of the joint Institute of International Finance (IIF)/OECD Data Repository Portal and encourage all private sector lenders to contribute data to this initiative.

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8. The COVID-19 pandemic has disrupted government and private sector investment into infrastructure. To ensure we recover stronger, we commit to revitalizing infrastructure investment in a sustainable, inclusive, accessible and affordable way, in line with the G20 Roadmap to Infrastructure as an Asset Class, the Collaboration with Institutional Investors and Asset Managers on Infrastructure and considering the outcomes of the 2021 G20 Infrastructure Investors Dialogue. We will develop actions to leverage private sector participation to scale up sustainable infrastructure development, which will complement investment from other sources, including public investment and finance provided by MDBs. We will develop policies to mobilize inclusive infrastructure investment to enhance social inclusion and address subnational disparities in regions and cities. We reaffirm our commitment to increase digital infrastructure and InfraTech investments to narrow the digital divide. To assist both the public and private sector towards transformative investment post-COVID-19, we will advance the InfraTracker 2.0 tool to provide insights into long-term infrastructure strategies and plans. We will advance the work on the G20 Principles for Quality Infrastructure Investment (QII), and make progress on the work on QII indicators, which will be voluntary and non-binding and consider country circumstances, prepared by the International Finance Corporation, with the aim of early conclusion by October 2022. We look forward to considering the future of the Global Infrastructure Hub.

9. We reiterate our commitment to tackle global challenges such as climate change and environmental protection, including biodiversity loss. In the context of strengthening global efforts to reach the goals of the United Nations Framework Convention on Climate Change (UNFCCC) and the Paris Agreement, as well as implementing our COP26 commitments, our policy mix toward carbon neutrality and net zero should include a full range of fiscal, market and regulatory mechanisms including, if appropriate, the use of carbon pricing mechanisms and incentives, and phase out and rationalize, over the medium term, inefficient fossil fuel subsidies that encourage wasteful consumption and commit to achieve this objective, while providing targeted support to the poorest and most vulnerable, and in line with national circumstances. We recognize that our G20 Finance Track policy dialogue on the macroeconomic and fiscal impact of climate change policies could benefit from further technical work. We also recall and reaffirm the commitment made by developed countries, to the goal of mobilizing jointly USD 100 billion climate finance per year by 2020 and annually through 2025 to address the needs of developing countries, in the context of meaningful mitigation actions and transparency on implementation and stress the importance of meeting that goal fully as soon as possible.

10. Sustainable finance is critical to a green, resilient and inclusive global economic recovery, and the achievement of the 2030 Agenda for Sustainable Development in line with the UNFCCC and the Paris Agreement. We are taking forward actions of the G20 Sustainable Finance Roadmap, that is voluntary and flexible in nature, including by reporting and assessing on its progress in addressing the Roadmap priorities in the 2022 G20 Sustainable Finance Report. We will take actions to enable transition finance to support orderly, just and affordable transitions towards a low-greenhouse gas emissions and climate-resilient economy. We will scale up sustainable finance markets and improve access for countries and firms, including for developing economies and SMEs, in an affordable way. We welcome private sectors' growing role in accelerating sustainable recovery alongside public and MDB finance and reaffirm the crucial role of IFIs and public policy levers in addressing market externalities, reducing the cost of low emissions technologies and incentivizing the participation of private capital in sustainable investments that promote green transitions, while considering country specific circumstances.

11. We commit to reinforcing global financial sector resilience to ensure an equitable economic recovery and to avoid any potential scarring impacts from the pandemic to preserve financial stability. We look forward to the Financial Stability Board (FSB)'s work on exit strategies and addressing scarring effects in the financial sector. We commit to strengthening the resilience of non-bank financial intermediation with a systemic perspective and consider the need for further policy actions, including on open ended funds, and interactions between USD funding and emerging market economy vulnerabilities. We are supporting the continued implementation of the G20 Roadmap for Enhancing Cross-Border Payments, including monitoring progress towards the roadmap's quantitative targets, and look forward to further progress in taking forward the actions of the FSB Roadmap for Addressing Climate-Related Financial Risks.

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12. We will continue to assess and address in a comprehensive manner the potential benefits and risks to global financial stability, arising from the rapid development of technological innovations in the financial sector, including cyber risks and the potential for regulatory gaps and arbitrage posed by crypto-asset markets. We welcome the FSB's updated assessment of financial stability risks from fast-evolving crypto-asset markets and note that in the absence of effective regulation and supervision, they could reach a point where they represent a threat to global financial stability due to their scale, structural vulnerabilities and increasing interconnectedness with the traditional financial system. We encourage the FSB, in close coordination with other standard-setting bodies, to accelerate and deepen its work to monitor and share information on regulatory and supervisory approaches to unbacked crypto-assets, stablecoins, decentralized finance, and other forms of crypto-assets and to address any gaps and arbitrage, including by recommending coordinated and timely policy actions to preserve global financial stability, thus creating the necessary conditions for safe innovation. We also welcome the FSB's efforts to promote effective regulatory practices and cooperation on operational resilience in the global financial system in light of evolving risks. We welcome the update report on the progress of the review of the G20/OECD Principles of Corporate Governance.

13. The COVID-19 pandemic has widened inequality for the most financially vulnerable and underserved groups especially women, youth, and Micro, Small, and Medium Enterprises (MSMEs). We reaffirm our commitment to bring forward the financial inclusion agenda and we look forward to the Global Partnership for Financial Inclusion (GPII) developing a financial inclusion framework on harnessing the benefit of digitalization, with the objective of boosting productivity, and fostering a sustainable and inclusive economy for women, youth, and MSMEs, building on the G20 2020 Financial Inclusion Action Plan.

14. We reaffirm our full support for the Financial Action Task Force (FATF) as the global standard setting body for preventing and combating money laundering (ML), terrorist financing (TF) and proliferation financing (PF). We recognize that effective implementation of the FATF Standards is crucial for building stability and confidence in financial markets, curbing corruption and ensuring a sustainable and inclusive recovery. We welcome the FATF's Updated Guidance for a Risk-Based Approach on virtual assets and virtual assets service providers published in October 2021 and reaffirm our commitment to implement the FATF standards on virtual assets and virtual assets service providers, in particular the implementation of the "travel rule". We commit to effectively implement the FATF standards on beneficial ownership. We reaffirm our commitment to sustaining and strengthening the FATF Global Network by supporting the FATF-style Regional Bodies to complete their evaluation programs to schedule. We welcome FATF's continued focus on the risks and opportunities of the digital transformation for fighting financial crime. We commend FATF's continued assessment of emerging threats and vulnerabilities to the integrity of the international financial system.

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Annex I: Issues for further action

Framework/global economy

- We ask the Framework Working Group (FWG) to advance the forward-looking agenda set in the G20 Action Plan to sustain the recovery and steer the global economy toward strong, sustainable, balanced and inclusive growth through developing a voluntary and non-binding note on exit and recovery strategies and addressing scarring effects.
- We ask the FWG to conduct a systematic analysis of macroeconomic risks stemming from climate change and discuss the costs and benefits of different transitions, including by drawing on well-established methodologies, and recognizing heterogeneities across G20 economies.
- We ask the FWG to continue work on enhancing global risk monitoring to assess the key risks faced by the global economy and look forward to integrating it more systematically into future policy discussions where appropriate.
- We ask the FWG to undertake further analysis on macroeconomic and distributional impacts of climate risk prevention strategies and climate mitigation and adaptation policies.

Finance-Health

- We ask that the G20 Joint Finance-Health Task Force present their report to Finance and Health ministers on modalities to establish a financial facility for pandemic preparedness and response at our next meeting in April, with further follow-up in July and, jointly with G20 Health Ministers, in October.
- We ask that the G20 Joint Finance-Health Task Force present an update on its work to G20 Finance and Health Ministers at their respective meetings in June and July.
- We ask that the G20 Joint Finance-Health Task Force present their report on how health and finance collaboration can strengthen efforts to prevent, detect, and respond to future health emergencies with cross-border potential at the G20 Joint Finance and Health Ministers' meeting in October.

International taxation

- We ask the OECD as a top priority to explore further the recommendations of the report on developing countries and the OECD/G20 Inclusive Framework on BEPS to identify possible areas where domestic resource mobilization efforts could be further supported, including in the Asia-Pacific region and in collaboration with the Asian Development Bank's Asia-Pacific Tax Hub.
- We ask the OECD to complete the work on a reporting framework for automatic exchange of information on crypto-assets, with a view to improve tax compliance.
- We look forward to the OECD work on the tax policy implications of gender equality.

International financial architecture

- We will discuss the drivers of currency usage in trade and finance, in a balanced manner, considering the costs and benefits.
- We acknowledge the IMF's update on surcharge policy and note opportunities for the Board to discuss related issues, including in the context of the upcoming review of the Fund's income position.
- We look forward to the review of the IMF's Institutional View on the liberalization and management of capital flows, informed by, among others, the IMF work on Integrated Policy Framework.
- We look forward to the Bank for International Settlements (BIS) work on Macro Financial Stability Policy Framework.

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- We look forward to the IMF's forthcoming semi-annual report to the Board of Governors on the progress of the 16th General Review of Quotas, with the next report to be issued in April.
- We will monitor the progress made towards the global ambition of USD 100 billion of voluntary channelling of SDRs, or equivalent contributions, throughout 2022.
- We look forward to the IMF's work on bringing in more transparency on the use of SDRs and functioning of the Voluntary Trading Arrangements (VTAs) following the SDR allocation.
- We welcome the recent expansion in VTAs and call for additional members to participate.
- We look forward to the MDBs presentations on potential SDR channelling options beyond the PRGT and RST in June.
- We ask the International Financial Architecture Working Group (IFAWG) to explore ways to maximize MDBs' development impact, including through balance sheet optimization measures and other options for increasing MDBs' development financing.
- We ask the IFAWG to note the next Shareholding Review of the International Bank for Reconstruction and Development (IBRD), which will take place in 2025.
- We ask the IMF and the WB to continue reporting on their work to strengthen the quality and consistency of debt data and improve debt disclosure.
- We ask MDBs to contribute to future discussions in the IFAWG on country-owned country platforms.
- We look forward to the OECD's reporting on progress on the data submitted to the OECD/IIF Data Repository Portal, in line with the IIF Voluntary Principles for Debt Transparency, and to report on sovereign marketable debt trends in low-income countries.

Infrastructure

- We ask the Infrastructure Working Group (IWG) to develop a framework to best leverage sustainable infrastructure financing, particularly through mobilizing private sector resources, to complement investment from other sources including public investment and finance provided by MDBs.
- We ask the IWG to develop a policy toolkit to mobilize financing mechanisms to enhance infrastructure investment in regions and cities.
- We ask the IWG to explore ways to facilitate financing and development of more cost-efficient, and better-quality InfraTech and digital infrastructure.
- We ask the IWG to discuss ways to advance the work related to the Principles for Quality Infrastructure Investment (QII), including by progressing the possible QII indicators.

Climate change

- Mindful of the spirit of cooperation required to address climate change, we will continue our efforts at dialogue informed by, and where appropriate, relevant expert international technical work, without prejudice to our own domestic and existing international processes.

Sustainable finance

- We ask the Sustainable Finance Working Group (SFWG) to coordinate the actions of the G20 Sustainable Finance Roadmap including by developing a publicly accessible repository to capture the work being done by G20 working groups (across Finance and Sherpa tracks), international organizations (IOs), and other international networks and initiatives, and to assess and summarize progress of the aforementioned work, in the SFWG's 2022 G20 Sustainable Finance Report, including on progress on the work IFRS International Sustainability Standards Board to develop a baseline standard for global sustainability

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reporting. We also welcome SFWG member voluntary inputs to the repository on relevant country or jurisdictional-level progress.

- We ask the Financial Stability Board (FSB) to report to the G20 in July on progress on its Roadmap for Addressing Climate-Related Financial Risks, and in October on climate-related scenario analysis, regulatory and supervisory approaches, and achieving consistent climate-related disclosures.
- We ask the SFWG to develop a voluntary and non-binding high-level framework for transitions finance, and to work together with international initiatives, as appropriate, on improving the credibility of financial institution commitments.
- We ask the SFWG to develop a voluntary, non-binding policy toolbox highlighting ways to scale up sustainable finance instruments, in cooperation with other relevant G20 working groups, with a focus on improving accessibility and affordability.
- We ask the SFWG to work with other G20 working groups, relevant IOs, networks and initiatives as appropriate, to analyze the implications of public policy levers on market signals that could influence sustainable investment decisions with due consideration for national circumstances.
- With the assistance of relevant international organizations, the Indonesian Presidency will convene a seminar to discuss how best to help developing countries mobilize and improve access to sustainable private finance alongside other sources.

Financial regulation

- We ask the FSB to deliver its work on exit strategies and addressing scarring effects in the financial sector as an interim report in July and a final report in October.
- We ask the FSB to provide a consultative report on the review of FSB high-level recommendations on the regulation, supervision and oversight of “global stablecoins” arrangements in October.
- We ask the FSB to provide its progress report on non-bank financial intermediation in October and its analysis of the interactions between USD cross-border funding and vulnerabilities in emerging market economies’ external financing in April.
- We ask the FSB to report in October on progress in the implementation of the G20 Roadmap for Enhancing Cross-Border Payments against the milestones set for 2022 and on baseline estimates against which future progress towards the quantitative targets can be monitored.
- We ask the FSB to report in October on best practices for cyber incident reporting.
- We call on the FSB, working with the International Organization of Securities Commissions (IOSCO), to conduct, by the end of 2023, a stocktake of progress made by member jurisdictions in adopting reforms to enhance money market fund resilience, followed up, by 2026, with an assessment of the effectiveness of the measures adopted by jurisdictions in addressing financial stability risks.
- We look forward to the OECD reporting on the draft revised G20/OECD Principles of Corporate Governance at our July 2022 meeting.

Financial inclusion

- We look forward to the review of the G20/OECD High-Level Principles for Financial Consumer Protection.
- We look forward to the revision of G20/OECD high level principles on SME financing, to be deliberated by the OECD Committee.

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Financial Action Task Force

- We look forward to the conclusion of the Financial Action Task Force's (FATF) priority work on Digital transformation of Combatting Money Laundering and the Financing of Terrorism and Proliferation.
- We ask the FATF to provide an update on the outcomes of its strategic review and how it will further emphasize the effectiveness of countries' measures to combat ML, TF and PF in the FATF's 5th round of mutual evaluations.
- We ask the FATF to provide an update of their ongoing efforts to enhance beneficial ownership transparency, including the adoption of the revision of the FATF standard on transparency and beneficial ownership of legal persons.
- We look forward to the results of the FATF's strategic prioritization process currently being undertaken by the FATF on its work program for a more effective and fine-tuned global implementation of the relevant FATF Standards.

New Data Gap Initiative (DGI)

- We look forward to the draft workplan of the new DGI being prepared by the IMF in close cooperation with the Inter-Agency Group on Economic and Financial Statistics members and the FSB.

Annex II: Reports and Documents Received

- IMF G20 Surveillance Note.
- The WB and WHO assessment of the gaps of global financing for pandemic prevention, preparedness and response (PPR).
- The G20/OECD Inclusive Framework on BEPS report on Tax Policy and Gender Equality.
- The FSB Chair's letter to the G20 Finance Ministers and Central Bank Governors, February 2022.
- The FSB's updated assessment of risks to financial stability from crypto-assets.
- The OECD Secretary-General's Report on the Review of the G20/OECD Principles of Corporate Governance.