



Communiqué

G20 Finance Ministers and Central Bank Governors Meeting

16-17 April 2015, Washington D.C., USA

1. We welcome the strengthening of economic activity in some key economies, yet global growth remains moderate and is following divergent paths. Near term prospects in advanced economies, notably the euro area and Japan, have improved recently, while the US and the UK continue to record solid growth, which could support a stronger global recovery. Growth in some emerging market economies, such as in China and India, is strong, but remains uneven. Low-income developing countries continue to demonstrate strong performance. Risks to the global outlook are more balanced since we last met. The overall global impact of lower oil prices is estimated to be positive, with varying effects. Nonetheless, there are important challenges including volatility in exchange rates and prolonged low inflation, sustained internal and external imbalances, high public debt, and geopolitical tensions.
2. We reaffirm the key role of the G20 in boosting confidence and reducing vulnerabilities through effective implementation of macroeconomic policies and structural reforms, which will help to boost demand and potential growth. We will implement fiscal policies flexibly to take into account near-term economic conditions, so as to support growth and job creation, while putting debt as a share of GDP on a sustainable path. In many advanced economies, accommodative monetary policies are needed to anchor inflation expectations and support recovery. In an environment of diverging monetary policy settings and rising financial market volatility, policy settings should be carefully calibrated and clearly communicated to minimize negative spillovers. When dealing with macroeconomic and financial stability risks arising from large and volatile capital flows, the necessary macroeconomic adjustment could be supported by macro-prudential measures and, as appropriate, capital flow management measures. In this regard, we welcome the continued cooperation between the relevant IOs on their respective approaches to measures that are both macro-prudential and capital flow management measures. We will continue to monitor financial market volatility and take necessary actions. We reaffirm our previous exchange rate commitments and will resist protectionism.
3. Recognizing the essential role of structural reforms in ensuring strong, sustainable and balanced growth, we remain committed to effective and timely implementation of our growth strategies. In line with our agreement in Istanbul, building on the analytical inputs by the international organizations, we have consolidated our monitoring efforts by identifying the key commitments from the Brisbane Growth Strategies that will have the greatest impact on growth. We have also developed a robust framework to hold each other to account for implementing our commitments, and actual progress towards our growth ambition. We will present our first accountability report on progress against all of our commitments at the Antalya Summit. We are reviewing, and will adjust our strategies as

necessary, to ensure that we will meet our collective growth ambition. Going forward, we will also strive to ensure that growth is inclusive.

4. We reaffirm our commitment to boost investment in our countries as an important driver of growth. We are currently working on concrete country-specific investment strategies that will support our collective growth objective including through policies to improve the investment ecosystem, foster efficient infrastructure investment and support sound long term financing opportunities for businesses including SMEs. We will also do a quantitative assessment of our investment strategies. We will develop the investment strategies by our September meeting with a view to present them to the Antalya Summit. To further promote infrastructure investments and more involvement by the private sector, we will continue to strengthen capacity building in and the functioning of PPP models and encourage an optimal use of multilateral and national development bank resources and facilitate the development of appropriate financial vehicles including asset-based financing structures. We welcome progress made in establishing the Global Infrastructure Hub and look forward to the delivery of an initial business plan to our next meeting in September.
5. We remain deeply disappointed with the continued delay in progressing the 2010 IMF Quota and Governance Reforms. Recognizing the importance of these reforms for the credibility, legitimacy and effectiveness of the IMF; we reaffirm that their earliest implementation remains our highest priority. We continue to urge the US to ratify the 2010 reforms as soon as possible. Mindful of the aims of the 2010 reforms, we call on the IMF Executive Board to pursue an interim solution that will meaningfully converge quota shares as soon as and to the extent possible to the levels agreed under the 14th review. We will use the 14th review as a basis for work on the 15th review of quotas, including a new quota formula. We reaffirm our commitment to maintaining a strong, well-resourced and quota-based IMF.
6. We reiterate our commitment to strengthen the global financial system and we welcome the progress since our last meeting in Istanbul. We remain committed to finalizing by the Antalya Summit the proposed common international standard on total loss absorbing capacity for global systemically important banks after the completion of rigorous and comprehensive impact assessments. We will identify and address gaps related to the resilience, recovery and resolution of central counterparties. We call on the International Association of Insurance Supervisors to finalize higher loss absorbency requirements for global systemically important insurers by the Antalya Summit. We are implementing the G20 roadmap agreed in Brisbane to strengthen the oversight and regulation of shadow banking, appropriate to the systemic risk posed. We will work to ensure that market-based finance is able to fulfill its growing role in supporting the real economy, while the financial stability risks are subject to appropriate oversight and regulation. We reiterate our support to the BCBS-IOSCO work to finalize its criteria to identify simple, transparent and comparable securitization. We look forward to the FSB's review of financial stability risks associated with asset management activities and will consider policy actions if necessary. We welcome the agreement by the FSB on a work plan that addresses market misconduct and withdrawal from correspondent banking. We will

enhance cross border cooperation to enable regulations to be more effective, particularly in the areas of resolution and OTC derivatives markets reforms, where swift implementation is required. We encourage jurisdictions to defer to each other when it is justified in line with the St. Petersburg Declaration. To ensure the broader adoption of global financial reforms, we call on the FSB and other standard setting bodies to incorporate into their work plans the issues faced by the emerging and developing economies including implementation and home-host issues.

7. We are committed to take actions to reach a globally fair and modern international tax system. In this regard, we are on track to finalize the G20/OECD Base Erosion and Profit Shifting (BEPS) Action Plan in 2015 and we are also working towards delivering our commitments pertaining to the exchange of information. We reiterate our commitment to support developing countries' engagement in the international tax agenda. We commit to implement actively the G20 High Level Principles on Beneficial Ownership Transparency.
8. 2015 is a crucial year for the global development agenda. We stress the importance of positive outcomes of the Addis Ababa Conference on Financing for Development (FFD), New York Summit on post 2015 development agenda and Conference of Parties 21 (COP21) in Paris. We call upon all relevant IFIs and IOs, within their mandates, to develop ambitious plans in support of this goal. We are committed to promote an enabling environment for developing countries, including low-income developing countries, as they pursue their development agendas and help them build necessary institutional capacity.

Annex

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Reports Received

We welcome the delivery of the following reports ahead of the G20 Finance Ministers and Central Bank Governors meeting, April 2015:

OECD Secretary-General Report to G20 Finance Ministers, April 2015.

OECD Financing SMEs and Entrepreneurs 2015: An OECD Scoreboard, April 2015.

G20/OECD Report on Checklist on Long-Term Investment Financing Strategies and Institutional Investors, April 2015.

Financial Reforms –Progress on the Work Plan for the Antalya Summit, Financial Stability Board Chair's Letter to G20 Finance Ministers and Central Bank Governors, April 2015.

Measures which are Both Macro-prudential and Capital Flow Management Measures: IMF Approach, IMF Report to G20 Finance Ministers and Central Bank Governors, April 2015.

The OECD's Approach to Capital Flow Management Measures Used with a Macro-prudential Intent, OECD's Report to G20 Finance Ministers and Central Bank Governors, April 2015.

IMF Managing Director's Letter and Report to IMFC and G20 on IMF Quota and Governance Reform – Work on Interim Steps, April 2015.

IMF Note on Asset-Based Financing, such as Sukuk, for Infrastructure, April 2015

Issues for Further Action

We look forward to the discussion results of G20/OECD High Level Roundtable on High-Level Principles on Long-Term Investment Financing and Institutional Investors to be held in May 2015.

We look forward to a report on the outcome of the G20 – WBG Singapore Workshop on Project Prioritization and Preparation to be held at the sidelines of the IIWG meeting in May 2015.

We ask the WBG and other MDBs to discuss the recent developments in their 'lessons learned' conference for infrastructure project experiences on PPPs in June 2015 and report back to us by our September meeting.

We look forward to results of the IMF's work on Making Public Investment More Efficient to be available in May 2015.

Based on the outcomes of the G20/OECD Corporate Governance Forum held in Istanbul, we look forward to submission of the revised Principles of Corporate Governance together with a report on their use for SMEs by our September meeting.

We ask the OECD, together with other relevant IOs, to develop voluntary high-level principles on SME financing by our September meeting.

We also ask the WBG and Islamic Development Bank Group to report on leveraging Islamic Finance with a special focus on SME financing by our September meeting.

We look forward to the progress on country-specific investment strategies and their analysis by the OECD, together with other IOs, for our September meeting to assist us in providing an aggregate ambition.

We look forward to the work plan of the World SME Forum by our next meeting, which will have a mandate to provide advocacy, know-how, and e-knowledge to enable SMEs to better fulfill their potential as the locomotive for sustainable growth and jobs.

We ask the relevant IOs to update us on the progress on cooperation on their respective approaches to measures that are both MPMs and CFMs in our meeting in September.

We ask the FSB to report on the progress on the coordinated work plan to promote CCP resilience, recovery planning and resolvability by our meeting in September.

Further to our commitment to support the LIDCs in their development efforts, we call on the WBG in cooperation with other IOs, to scale up institutional capacity building efforts for the LIDCs.

Recognizing the importance of our continued discussions on climate finance, we will work to reach favorable outcomes in the determined areas of the Climate Finance Study Group's work this year with the contributions of IOs. We ask the Group to finalize this year's work and report back to us at our September meeting.

We ask the FSB to convene public- and private- sector participants to review how the financial sector can take account of climate-related issues.