

Final Communiqué: Meeting of G20 Finance Ministers and Central Bank Governors

Washington DC, April 20, 2012

1. We, the G20 Finance Ministers and Central Bank Governors, met to assess progress on the fulfillment of the mandates given to us by our Leaders and to address ongoing economic and financial challenges and promote robust growth and job creation.

2. Recent economic developments point to the continuation of a modest global recovery, supported by some significant policy actions that have taken place since our last meeting. The tail risks facing the global economy only months ago have started to recede. However, growth expectations for 2012 remain moderate, deleveraging is constraining consumption and investment growth, volatility remains high partly reflecting financial market pressures in Europe and downside risks still persist. We remain committed to further reduce these risks. High levels of public and private indebtedness, the need for structural reforms, insufficient global rebalancing, and persistent unemployment and development gaps continue to weigh on medium-term global growth prospects. In the context of high unemployment and indebtedness in many countries, supporting growth and job creation, structural reforms, restoring medium-term fiscal sustainability and promoting global rebalancing remain at the core of our commitments. In addition, protecting investment is crucial for the global recovery and, in accordance to the mandate by our Leaders in Cannes, we reaffirm our commitment to avoid protectionism. Vigilant of high oil prices, G20 members stand ready to carry out additional actions as needed and welcome the commitments by producing countries to ensure adequate supply.

3. We have made progress in implementing the commitments established in the Cannes Action Plan for growth and jobs, as well as taken additional actions consistent with our shared objectives for strong, sustainable and balanced growth. These commitments remain fully relevant. Complete and timely implementation is critical, though more needs to be done. We agreed today on the main elements of the accountability assessment that will be carried out in order to enhance monitoring of the implementation of our commitments, as mandated by our Leaders in Cannes. We have also agreed on the main priority areas for further policy actions that should be reflected in the Los Cabos Action Plan that will be announced by our Leaders in June, including on fiscal, financial, structural, monetary and exchange rate, trade and development policies. We took note of a preliminary report by the international organizations on how the G20 framework can contribute to job creation, with the final report being presented at the Los Cabos Summit. These are important initiatives as increasing growth, infrastructure financing, employment and social inclusion are at the heart of all our actions.

4. We remain committed to take the necessary actions to secure global financial stability. We welcome the euro area members' decisions in March to strengthen European firewalls as part of broader reform efforts and the availability of central bank

swap lines. Together with the IMFC we have reached agreement to enhance IMF resources for crisis prevention and resolution. This is the result of a broad international cooperative effort that includes a significant number of countries. There are firm commitments to increase resources made available to the IMF by over \$430 billion in addition to the quota increase under the 2010 Reform. These resources will be available for the whole membership of the IMF, and not earmarked for any particular region. The resources would be channeled through temporary bilateral loans and note purchase agreements to the IMF's General Resources Account. Should it become necessary to use these resources, adequate risk mitigation features, conditionality and burden sharing among official creditors would apply, as approved by the IMF Board. This effort, together with the national and regional structural, fiscal, and monetary actions that have been put in place in the past months, shows the commitment of the international community to safeguard global financial stability and put the global economic recovery on a sounder footing.

5. We reaffirmed our commitment to fully implement the 2010 Governance and Quota Reform by the 2012 IMF/World Bank Annual Meeting. We will continue to contribute towards a comprehensive review of the IMF quota formula by January 2013 and the completion of the next general review of quotas by January 2014, fulfilling the commitments made in Seoul and Cannes. We reaffirm that the distribution of quotas should better reflect the relative weights of IMF members in the world economy which have changed substantially in view of strong growth in dynamic emerging markets and developing countries.

6. We welcome recent initiatives on IMF surveillance, and agree that the current surveillance framework should be significantly enhanced. This process should help achieve a better integration of bilateral and multilateral surveillance, with a focus on global, domestic and financial stability, including spillovers from countries policies. This could be achieved through a careful use of Article IV consultations. We welcome the progress by the IMF in advancing consideration of an integrated surveillance decision and commit to support the decision process. We underscore the importance of rigorous surveillance on exchange rate policies and support a more ample coverage of surveillance activities, where relevant, including global liquidity, capital flows, capital account measures, reserve and fiscal, monetary and financial sector policies that could have an impact on external stability. We welcome the ongoing work to produce an external sector report, which would strengthen multilateral analysis and enhance the transparency of surveillance. We also recognize that political ownership and traction is critical to effective surveillance, and that the IMFC has a role in facilitating the active involvement of all IMF members. We call on the IMF to address issues that constrain effective surveillance as identified by the IEO.

7. We assessed progress on the implementation of our financial regulatory reform agenda as outlined in our February 2012 Communiqué in order to deliver on our commitments looking ahead to the Los Cabos Leaders' Summit, and reaffirmed our commitment to common global standards by pursuing the financial regulatory reform agenda according to our agreed timetable in an internationally consistent and non-

discriminatory manner. We take note of the work to date by the FSB and BCBS on the modalities for extending the SIFI framework to domestic systemically important banks (D-SIBs), and look forward to the completion of this work by November 2012 and welcome the FSB progress report on strengthening the oversight and regulation of the shadow banking system to mitigate potential systemic risk and look forward to its final recommendations by end-2012. We support the work of the Working Group on FSB Capacity, Resources and Governance to put the FSB on an enduring organizational footing while preserving the strong links with the BIS and look forward to Leaders receiving the Group's recommendations in June 2012; the work coordinated by the FSB to provide safeguards supportive of a global framework for central counterparties (CCPs) as an important element in achieving the agreed OTC derivatives reforms, so that authorities can make informed decisions on the standards and requirements of CCPs to meet by end-2012 their commitment that all standardized OTC derivatives be centrally cleared in CCPs with the appropriate safeguards; and the efforts of the IASB and FASB to achieve convergence to a globally accepted set of high quality accounting standards and urge them to meet their target of issuing standards on key convergence projects by mid-2013, at the latest, in order to achieve a single set of high quality international accounting standards. We look forward for the completion of the study, coordinated by the FSB with the IMF and the World Bank, to identify the extent to which the agreed regulatory reforms may have unintended consequences for Emerging Markets and Developing Economies. We support the work of the FSB on the global governance framework for the legal entity identifier and look forward to its recommendations in June on establishing a global LEI system. We support work on developing for consultation, internationally consistent standards on margining for non-centrally cleared OTC derivatives by June 2012.

8. We reiterate our call upon all countries to join the Global Forum on transparency and to sign on the Multilateral Convention on Mutual Assistance. We look forward to an interim report by the OECD for the Los Cabos Summit on progress made and on a new set of reviews and on necessary steps to improve comprehensive information exchange. We welcome the ongoing work by the FSB on adherence to supervisory and regulatory information exchange and cooperation standards. We support the renewal of the FATF mandate, sustaining global efforts to combat money laundering and the financing of terrorism and proliferation of weapons of mass destruction.

9. As an important complement of the G20 financial regulation agenda, we agreed to follow through on the five recommendations of the 2011 Global Partnership for Financial Inclusion report, endorsed in Cannes, and take the financial inclusion agenda forward towards concrete results and we agreed to present to our Leaders at the Los Cabos Summit the G20 Basic Set of Financial Inclusion Indicators, which will assist countries, policymakers and stakeholders in focusing global efforts on measuring and sustainably tracking progress on access to financial services globally. We acknowledge the efforts of those G20 and non-G20 countries willing to commit to national coordination platforms and strategies for financial inclusion under the "G20 Financial Inclusion Peer Learning Program" at the Los Cabos Summit as well as the ongoing efforts and the importance of coordinated support, policy advice and technical assistance by GPMI implementing

partners, other stakeholders, including the UN, and bilateral donors and request their continued support to national strategic planning, implementation and data initiatives in support of financial inclusion. On financial education we recognize the importance and relevance of the work that the OECD, its International Network on Financial Education (INFE), and the World Bank have been doing in this topic and look forward for the OECD/INFE High Level Principles on National Strategies for Financial Education to be presented to our Leaders for their consideration at the Los Cabos Summit. For advancing our financial consumer protection agenda we recognize the importance of the International Financial Consumer Protection Network (FinCoNet) as a global network of market conduct financial authorities. We also ask the G20/OECD Task Force on financial consumer protection to develop with the FSB effective approaches to support the implementation of the High Level Principles endorsed in Cannes, and recognize the importance of an active participation in this process. We recognize the need for women to gain access to financial services and financial education, and call for the GPMI and OECD/INFE to identify additional barriers women may face.

10. We welcome the participation of the International Organizations on the assessment of the macroeconomic impacts of excessive commodity price volatility on growth and their identification of policy options that countries could consider as per their national circumstances to mitigate any such effects. We will report to Leaders in Los Cabos on these policy options and their implications for our national agendas.

11. We reaffirm our commitments to enhance the transparency and functioning of energy markets. We will work to improve the JODI-Oil database and work on applying the same principles to JODI-Gas, and to rationalize and phase out inefficient fossil fuel subsidies over the medium term, while providing targeted support for the poorest, and report on progress made to our Leaders in Los Cabos. We look forward to the IOSCO progress report on the implementation of its Principles for the Regulation and Supervision of Commodities Derivatives Markets at our next meeting in November. We welcome the consultation by IOSCO on the functioning and oversight of price reporting agencies and look forward to an update on their emerging recommendations for leaders in Los Cabos.

12. We received the preliminary report prepared by the OECD, the World Bank and UN on inserting green growth and sustainable development policies into structural reform agendas and look forward for the final version to be delivered to our Leaders. We welcome G20 countries voluntary self-reporting on current actions to integrate green growth and sustainable development into structural reform agendas.

13. We will continue to work on climate finance with the establishment of a G20 study group to consider ways to effectively mobilize resources and support the operationalization process of the Green Climate Fund taking into account the objectives, provisions and principles of the UNFCCC.

14. We appreciate G20 countries contributions and involvement in promoting Disaster Risk Management (DRM), and welcome the efforts made so far by the World Bank and

OECD, with support from the UN to prepare a compilation of country experiences to be presented to our Leaders in Los Cabos, and towards having, by November, a voluntary framework aimed to facilitate the assessment of risk and financial strategies towards implementing DRM.