

1. Global growth appears to be stabilizing, and is generally projected to pick up moderately later this year and into 2020. This recovery is supported by the continuation of accommodative financial conditions, stimulus measures taking effect in some countries, and one-off factors dissipating. However, growth remains low and risks remain tilted to the downside. Most importantly, trade and geopolitical tensions have intensified. We will continue to address these risks, and stand ready to take further action.
2. We reaffirm our commitment to use all policy tools to achieve strong, sustainable, balanced and inclusive growth, and safeguard against downside risks, by stepping up our dialogue and actions to enhance confidence. Fiscal policy should be flexible and growth-friendly while rebuilding buffers where needed and ensuring debt as a share of GDP is on a sustainable path. In line with central banks' mandates, monetary policy should ensure that inflation remains on track toward, or stabilizes around targets. Central bank decisions need to remain well communicated. Continued implementation of structural reforms will enhance our growth potential. We reemphasize that international trade and investment are important engines of growth, productivity, innovation, job creation and development. We reaffirm our Leaders' conclusions on trade at the Buenos Aires Summit. We will continue to take joint action to strengthen international cooperation and frameworks. We also reaffirm our exchange rate commitments made in March 2018.
3. Global current account imbalances have narrowed in the aftermath of the global financial crisis, notably in emerging and developing economies and they have become increasingly concentrated in advanced economies. However, they remain large and persistent, and stock positions continue to diverge. In assessing external balances, we note the importance of monitoring all components of the current account, including service trade and income balances. We acknowledge that external balances reflect a combination of cyclical factors, domestic policies and fundamentals, as well as spillovers from abroad. We share the view that, while some of the external imbalances may be in line with economic fundamentals, others may be excessive and pose risks. Factors underlying excessive imbalances may include excess corporate savings, miscalibrated fiscal policies, and barriers to trade in goods and services. In the spirit of enhancing cooperation, we affirm that carefully calibrated macroeconomic and structural policies tailored to country-specific circumstances are necessary to address excessive imbalances and mitigate the risks to achieving the G20 goal of strong, sustainable, balanced and inclusive growth. Meanwhile, we recognize that the composition of funding also should be carefully monitored as some forms (such as foreign direct investment) provide more stable funding than others. We look forward to the IMF's further analytical work on global imbalances.
4. Demographic changes, including population aging, pose challenges and opportunities for all G20 members. Given the complex nature of this agenda, we held a comprehensive discussion on aging-related issues at break-out sessions, which grouped countries according to their demographic profiles. Demographic changes will require policy actions that span fiscal, monetary, financial, and structural policies.

In this regard, countries should consider, as relevant:

- Further enhancing productivity and growth, including by investing in skills, and encouraging labor market participation in particular of women and older people and promoting elderly-friendly industries;
- Enhancing the efficiency and effectiveness of public spending as well as a well-functioning and fiscally sustainable social safety net with due consideration to intra- and inter-generational equity;

- Designing the tax system in an equitable and growth-friendly manner, so as to better respond to the challenges posed by aging;
- Better understanding the implications of aging for monetary policy;
- Assisting financial institutions to make any needed adjustments to their business models and services;
- Managing the cross-border implications of demographic changes, such as capital and migratory flows.

To strengthen financial inclusion in the aging society, we endorse the *G20 Fukuoka Policy Priorities on Aging and Financial Inclusion*, prepared by the Global Partnership for Financial Inclusion (GPII) and OECD. We endorse the *Proposed GPII Work Program*, and ask the GPII to streamline its structure based on the *Roadmap to 2020*.

5. We reaffirm our commitment to a strong, quota-based, and adequately resourced IMF, to preserve its role at the center of the global financial safety net. We remain committed to concluding the 15th General Review of Quotas no later than the 2019 Annual Meetings, and call on the IMF to expedite its work on IMF resources and governance reform as a matter of the highest priority. We support the progress made on work to follow up the Eminent Persons Group (EPG) proposals. We welcome the progress made towards developing possible principles for effective country platforms and look forward to further work to consolidate our views and build consensus. In addition, we welcome ongoing efforts by the Multilateral Investment Guarantee Agency to enhance risk insurance in development finance, including the release of new standardized contracts and cooperation agreements with several MDBs. We welcome the discussion of development finance issues, in response to the relevant EPG proposals, as experienced this year at Deputies' level in April and at Ministers' level yesterday. We welcome the work undertaken by the international organizations on capital flows. The OECD has completed a review of its *Code of Liberalisation of Capital Movements*, which modernizes the Code to support the liberalization of capital flows and financial stability. We also welcome the MDBs' report on value for money and look forward to further work on indicators where harmonization is relevant, affordable and provides clear benefits. We will continue our work on the EPG's proposals, recognizing their multi-year nature.
6. We reiterate the importance of joint efforts undertaken by both borrowers and creditors, official and private, to improve debt transparency and secure debt sustainability. We welcome an IMF-World Bank Group (WBG) Update on the recent progress of their multi-pronged approach for addressing emerging debt vulnerabilities, and support its further implementation. In particular, we call on the IMF and WBG to continue their efforts to strengthen borrowers' capacity in the areas of debt recording, monitoring, and reporting, debt management, public financial management, and domestic resource mobilization. In the context of the review of the Debt Limits Policy and Non-Concessional Borrowing Policy, we encourage the IMF and WBG to continue their efforts to deepen their analysis of collateralized financing practices. We welcome the completion of the voluntary self-assessment of the implementation of the G20 Operational Guidelines for Sustainable Financing and the IMF-WBG note on the survey results and policy recommendation. We applaud the G20 and non-G20 members who completed the survey. We will continue to discuss the issues highlighted by this note, aiming to improve financing practices. We support the work of the Institute of International Finance on the *Voluntary Principles for Debt Transparency* to improve debt transparency and sustainability of private financing and look forward to follow up. We support the ongoing work of the Paris Club, as the principal international forum for restructuring official bilateral debt, towards the broader inclusion of emerging creditors. In that regard, we welcome India associating voluntarily with the Paris Club to cooperate in its work on a case-by-case basis.
7. Infrastructure is a driver of economic growth and prosperity. An emphasis on quality infrastructure is an essential part of the G20's ongoing efforts to close the infrastructure gap, in accordance with

the *Roadmap to Infrastructure as an Asset Class*. In this context, we stress the importance of maximizing the positive impact of infrastructure to achieve sustainable growth and development while preserving the sustainability of public finances, raising economic efficiency in view of life-cycle cost, integrating environmental and social considerations, including women's economic empowerment, building resilience against natural disasters and other risks, and strengthening infrastructure governance. Based on this understanding, and welcoming inter-thematic collaborations, we endorse the *G20 Principles for Quality Infrastructure Investment* as our common strategic direction and high aspiration. We thank the international organizations for preparing the Reference Notes on quality infrastructure investment and a new Database of Facilities and Resources, which will help effective implementation. We look forward to continuing advancing the elements to develop infrastructure as an asset class, including by exploring possible indicators on quality infrastructure investment.

8. We acknowledge the importance of disaster risk financing and insurance schemes as a means to promote financial resilience against natural disasters. These schemes can help governments effectively leverage private sector resources and thereby manage financial risks arising from natural disasters in a timely manner. In this regard, the WBG's report, *Boosting Financial Resilience to Disaster Shocks: Good Practices and New Frontiers*, will help broaden knowledge of disaster risk financing methods, including through macro-fiscal planning.
9. Moving towards Universal Health Coverage (UHC) contributes to human capital development, sustainable and inclusive growth and development, and prevention, detection and response to health emergencies, such as pandemics and anti-microbial resistance, in developing countries. In this context, we affirm our commitment to the *G20 Shared Understanding on the Importance of UHC Financing in Developing Countries*. As articulated in the *Shared Understanding* document, a multi-sectoral approach, in particular the collaboration between finance and health authorities, with the appropriate contribution of the private sector and non-government organizations, is crucial for strengthening health financing, building on work by international organizations. In this regard, we look forward to a joint session of Finance and Health Ministers in the margins of the Leaders' Summit. We appreciate the World Bank Group's report, *High-Performance Health Financing for Universal Health Coverage: Driving Sustainable, Inclusive Growth in the 21st Century*.
10. We underline our continued support for the Compact with Africa (CwA). This should involve closer engagement with private sector investors and enhanced bilateral engagement, including coherent contributions from development finance institutions as well as enhanced roles for participating international organizations (WBG, AfDB, IMF) based on a clear understanding of their roles in implementing the CwA.
11. We will continue our cooperation for a globally fair, sustainable, and modern international tax system, and welcome international cooperation to advance pro-growth tax policies. We reaffirm the importance of the worldwide implementation of the G20/OECD Base Erosion and Profit Shifting (BEPS) package and enhanced tax certainty. We welcome the recent progress on addressing the tax challenges arising from digitalization and endorse the ambitious work program that consists of a two-pillar approach, developed by the Inclusive Framework on BEPS. We will redouble our efforts for a consensus-based solution with a final report by 2020. We welcome the recent achievements on tax transparency, including the progress on automatic exchange of financial account information for tax purposes. We also welcome an updated list of jurisdictions that have not satisfactorily implemented the internationally agreed tax transparency standards. We look forward to a further update by the OECD of the list that takes into account all of the strengthened criteria. Defensive measures will be considered against listed jurisdictions. In this regard, we recall the 2015 OECD report inventorying available measures. We call on all jurisdictions to sign and ratify the multilateral Convention on Mutual Administrative Assistance in Tax Matters. We continue to support tax capacity building in

developing countries, including coordinating through the Platform for Collaboration on Tax (PCT) and by applying the experience with medium-term revenue strategies and tailoring efforts to support domestic resource mobilization in countries with limited capacities. We welcome the first progress report of the PCT, as well as the Asia-Pacific Academy for Tax and Financial Crime Investigation in Japan.

12. An open and resilient financial system, grounded in agreed international standards, is crucial to support sustainable growth. We remain committed to the full, timely and consistent implementation of the agreed financial reforms. We continue to evaluate their effects and welcome the FSB's public consultation report on SME financing. We will continue to monitor and, as necessary, address vulnerabilities and emerging risks to financial stability, including with macroprudential tools. While non-bank financing provides welcome diversity to the financial system, we will continue to identify, monitor and address related financial stability risks as appropriate. We welcome the reports from the FSB and International Organization of Securities Commissions (IOSCO) on market fragmentation, and look forward to receiving progress updates in October including on ongoing work. We will address unintended, negative effects of market fragmentation, including through regulatory and supervisory cooperation. We continue to monitor and address the causes and consequences of the withdrawal of correspondent banking relationships, and issues on remittance firms' access to banking services. Mobilizing sustainable finance and strengthening financial inclusion are important for global growth. We welcome private sector participation and transparency in these areas.
13. Technological innovations, including those underlying crypto-assets, can deliver significant benefits to the financial system and the broader economy. While crypto-assets do not pose a threat to global financial stability at this point, we remain vigilant to risks, including those related to consumer and investor protection, anti-money laundering (AML) and countering the financing of terrorism (CFT). We reaffirm our commitment to applying the recently amended FATF Standards to virtual assets and related providers for AML and CFT. We look forward to the adoption of the FATF Interpretive Note and Guidance by the FATF at its plenary later this month. We welcome IOSCO's work on crypto-asset trading platforms related to consumer and investor protection and market integrity. We welcome the FSB's directory of crypto-asset regulators, and its report on work underway, regulatory approaches and potential gaps relating to crypto-assets. We ask the FSB and standard setting bodies to monitor risks and consider work on additional multilateral responses as needed. We also welcome the FSB report on decentralized financial technologies, and the possible implications for financial stability, regulation and governance, and how regulators can enhance the dialogue with a wider group of stakeholders. We also continue to step up efforts to enhance cyber resilience, and welcome progress on the FSB's initiative to identify effective practices for response to and recovery from cyber incidents.
14. We welcome the United Nations Security Council Resolution 2462, which stresses the essential role of the FATF in setting global standards for preventing and combatting money laundering, terrorist financing and proliferation financing. We reiterate our strong commitment to step up efforts to fight these threats. We call for the full, effective and swift implementation of the FATF Standards. We welcome the achievement of the FATF Ministerial Meeting in April this year that has given the FATF an open-ended mandate and led to strengthening the FATF's governance, including the biennial ministerial meeting and the FATF Presidency's term extensions. We look forward to the FATF's Strategic Review. We welcome FATF's commitment to monitor the risks and opportunities of financial innovation, and to ensure the FATF standards remain relevant and responsive. We ask the FATF to report back on progress in 2021. We look forward to further action by the FATF to strengthen the global response to proliferation financing.

## Annex

### Reports and Documents Received

#### Global Economy

- G20 Surveillance Note IMF

#### Global Imbalances

- Summary Document on Global Imbalances FWG
- Global Imbalances IMF

#### Aging and its Policy Implications

- Summary Document on Aging FWG
- Fiscal challenges and inclusive growth in ageing societies OECD
- Macroeconomics of Aging and Policy Implications IMF
- G20 Fukuoka Policy Priorities on Aging and Financial Inclusion GPFI and OECD
- Proposed GPFI Work Program GPFI

#### International Financial Architecture

- 2019 Final Report to the Osaka Summit IFA WG
- OECD Revised Code of Liberalisation of Capital Movements OECD
- Report on the Revised Code of Liberalisation of Capital Movements OECD
- MDBs' final report on value for money AfDB, AsDB, EBRD, EIB, IDBG and WBG

#### Debt Sustainability and Transparency in Low-Income Countries (LICs)

- The Joint IMF-WB Multipronged Approach for Addressing Emerging Debt Vulnerabilities - Update on the recent progress and key milestones ahead IMF and WBG
- G20 Operational Guidelines for Sustainable Financing Survey Results and Policy Recommendation IMF and WBG
- Voluntary Principles for Debt Transparency IIF

#### Quality Infrastructure Investment

- G20 Principles for Quality Infrastructure Investment IWG
- MDB Infrastructure Cooperation Platform: project preparation workstream, Phase II reference note on project preparation across the full project cycle EBRD in cooperation with WBG
- Multilateral Development Banks' Reference Note, Translating Quality Infrastructure Investment Principles into Procurement Practice AfDB, AsDB, BSTDB, CDB, CABI, CEB, EIB, EBRD, IADB, and IsDB, coordinated by WBG
- OECD Reference Note on Environmental and Social Considerations in Quality Infrastructure OECD
- OECD/IMF Reference Note on the Governance of Quality Infrastructure Investment OECD and IMF
- GI Hub/OECD/World Bank Database of Resources and Facilities for Quality Infrastructure Investment GI Hub

#### Resilience against Natural Disasters

- Boosting Financial Resilience to Disaster Shocks: Good Practices and New Frontiers WBG

## Strengthening Health Financing for Moving towards Universal Health Coverage (UHC) in Developing Countries

- G20 Shared Understanding on the Importance of UHC Financing in Developing Countries Japanese Presidency
- High-Performance Health Financing for UHC: Driving Sustainable, Inclusive Growth in the 21st Century WBG

## Compact with Africa

- Compact with Africa Monitoring Report 2019 WBG in collaboration with AfDB and IMF

## International Taxation

- Secretary-General Report to G20 Finance Ministers and Central Bank Governors OECD
- Programme of Work to Develop a Consensus Solution to the Tax Challenges Arising from the Digitalisation of the Economy Inclusive Framework on BEPS
- 2019 Progress Report on Tax Certainty IMF and OECD
- PCT Progress Report 2018-2019 Platform for Collaboration on Tax (IMF, OECD, UN and WBG)

## Financial Regulation

- Chair's letter to G20 Finance Ministers and Central Bank Governors FSB
- Progress report on implementation of G20 reforms FSB
- Evaluation of the effects of financial regulatory reforms on small and medium-enterprise financing (SME) - Consultative Document FSB
- Report on Market Fragmentation FSB
- Market Fragmentation and Cross-border Regulation Report IOSCO
- 2019 Task Force on Climate-related Financial Disclosures status report FSB
- Remittance service providers' access to banking services – Monitoring of the FSB's recommendations FSB
- Report to the G20 on the Implementation of the G20/OECD Principles of Corporate Governance OECD

## Financial Innovation

- Decentralised Financial Technologies - Report on financial stability, regulatory and governance implications FSB
- Crypto-assets regulators directory FSB
- Crypto-assets - Work underway, regulatory approaches and potential gaps FSB
- Issues, Risks and Regulatory Considerations Relating to Crypto-Asset Trading Platforms– Consultation Report IOSCO
- Progress report on cyber incident response and recovery FSB

## AML/CFT

- FATF President's Letter to the G20 FMCBG FATF