

Chancellor praises global cooperation as UK G7 presidency comes to a close

- G7 Finance Ministers and Central Bank Governors meet for the final time under UK's Presidency
- Chairing the virtual session, Chancellor Rishi Sunak praised and thanked counterparts for their efforts over the past year
- Under UK leadership, G7 backed landmark global tax changes so big firms will pay tax where they do business

At the virtual Finance Ministers and Central Bank Governors meeting, Rishi Sunak highlighted the string of major agreements that have been struck under the UK's leadership over the past 12 months to help build a stronger and more resilient global economy.

This includes agreeing to back an historic international tax agreement to tackle the challenges that arise from an increasingly globalised and digital economy.

The landmark deal reforms global tax rules so big international companies will pay tax in the countries they do business, as well as cracking down on global avoidance through a 15% minimum tax rate. The UK has been spearheading the push for an international solution to the challenge of taxing technology multi-nationals for nearly a decade, with the Chancellor making a global agreement a key priority of the UK's G7 Presidency.

Other key achievements include:

- Committing to work together for as long as needed to support the world's economic recovery from the Covid-19 pandemic and to tackle global supply issues
- Supporting the allocation of \$650bn in IMF Special Drawing Rights and securing commitments by stronger economies to channel some of these funds to countries in need
- Embedding climate change and biodiversity loss considerations into economic and financial decision making
- Gaining G7 agreement for nations to follow the UK to make climate-related financial reporting mandatory and to crack down on proceeds from

environmental crimes

- Achieving G7 agreement to work together to spur market growth to tackle antimicrobial resistance
- Agreeing Public Policy Principles for Retail Central Bank Digital currencies (CBDC) to support and inform domestic policy and design

Chancellor Rishi Sunak said:

Thank you to my G7 colleagues for their tireless work this year – together we covered a huge amount in the most difficult of circumstances, including striking an historic agreement on global tax reform to create a fairer tax system fit for the 21st century.

I look forward to the German presidency and working together to address challenges we face next year.

During today's meeting G7 Finance Ministers and Central Bank Governors discussed the global economy, climate change and antimicrobial resistance.

They agreed to remain vigilant to new variants of Covid-19 whilst cooperating on global supply issues and exchanged views on how to promote greater resilience of supply chains and ways to build a more accurate picture of possible future disruptions.

Following the commitment in the June G7 communique to a "multi-year effort" to deliver the change needed to meet our net zero climate commitments, G7 Finance Ministers and Central Bank Governors today agreed to more regular policy discussions to drive forward efforts to reduce emissions, to help advance broad-based international collaboration and coordination. This will be underpinned by joint macroeconomic analysis to help keep 1.5 degrees within reach, as agreed at COP26.

Building on a commitment from June, G7 Finance Ministers today also agreed, through the first joint statement of its kind, a commitment to strengthen actions across the G7 to support antibiotic development as part of tackling antimicrobial resistance.

Rishi Sunak praised the G7's joint efforts, hard work and commitment, whilst highlighting the progress and successes made over the past 12 months.

The Chancellor concluded by urging ministers to continue to work together to tackle global issues before welcoming the new German Finance Minister Christian Lindner. Germany will take over as G7 Presidency on 1 January 2022.

Further information

Tax reforms

- agreement on historic global tax reforms that will mean the largest multinational tech giants will pay their fair share in the countries in which they operate, as well as a 15% global minimum rate, backed by 137 OECD Inclusive Framework members

Digital currencies

- published a joint report on the public policy implications of central banks issuing their own digital currencies and how to ensure this delivers benefits for our economies and societies

Covid / pandemic preparedness

- worked together to ensure a global recovery from Covid-19, helping lower income countries tackle the pandemic and addressing the economic impacts, including global supply issues drawing on the work of international organisations like the IMF and the OECD
- agreed to tackle antimicrobial resistance through spurring antibiotic market growth together

Support for Low-Income countries

- supported the allocation of \$650bn in IMF Special Drawing Rights – with some voluntary funds already being channelled to the IMF's Poverty Reduction and Growth Trust, and further support for a new Resilience and Sustainability Trust
- committed to publish own creditor portfolios on a loan-by-loan basis to lead by example of sovereign debt transparency

Climate and nature

- embedded climate change and biodiversity loss considerations into economic and financial decision making
- committed to a multiyear effort to work together to ensure we meet our net zero targets, including coordinating on pricing carbon and mitigating against carbon leakage
- agreed to follow the UK to make climate-related financial reporting mandatory and crack down on environmental crimes through strengthening company beneficial ownership registers