



## BRICS Finance Ministers and Central Bank Governors

### Joint Statement

*We, the Finance Ministers and Central Bank Governors of BRICS countries, met on October 11, 2024, under Russia's Chairmanship under the theme of "Strengthening Multilateralism for Just Global Development and Security" and issued the following joint statement, to ensure the success of the forthcoming XVI BRICS Summit:*

**1. Integration of New Members.** We welcome efforts towards consolidation of cooperation in the expanded BRICS, including, in particular, integration of new members into the BRICS partnership mechanisms and highly appreciate their proactive participation and valuable contribution to the joint work in the Finance Track.

**2. BRICS Economic Outlook and Policy Cooperation.** In 2023-2024, BRICS members continued to operate in an environment of elevated geopolitical tensions, risks stemming from geoeconomic fragmentation, including protectionism and unilateral coercive measures, and high interest rates. Although weaker growth had been expected for 2023, most of the BRICS members experienced either acceleration in GDP growth or leveling out around historical averages. GDP growth for most BRICS members in 2023 exceeded both growth in developed countries (1.7% YoY) and global growth (3.3% YoY) with an optimistic outlook for the upcoming years. The BRICS members' economic fundamentals were primarily supported by resilient domestic demand amid prudent fiscal and monetary policy decisions aimed at maintaining price stability in the medium term, facilitation of selected and priority infrastructure projects, as well as promoting FDI inflows. Further, a few countries benefited from favorable conditions in the international markets, and improved their external position. In recent years, most BRICS economies gained more resilience to spillovers from developed countries' economic decisions. Stronger economic fundamentals, institutional improvements and lower internal imbalances reduced capital flows volatility, nevertheless interest rates cannot be set disregarding external factors in most of the countries. Besides, as the number of countries with a high risk of debt distress increases and given the rising global debt trajectory, potential global shocks can have additional spillover effects on BRICS countries. This requires preparedness and actions aimed at rebuilding fiscal buffers as well as effective use of appropriate policy tools. This will complement the continuous efforts to enhance institutional frameworks, to develop and deepen

domestic financial markets and infrastructure, accompanied by a focus on sustainable external debt and fiscal prudence. In this context, we will continue to enhance macro policy coordination, build an open world economy, pursue a universally beneficial and inclusive globalization. We encourage progressing the 2030 Agenda for Sustainable Development and commit to achieve stronger, greener, more sustainable and more balanced global development to address the specific needs of developing countries.

**3. Global Economic and Financial Governance Reform.** We recognize the need for a comprehensive reform of the global financial architecture to enhance the voice of the developing countries and their representation in the IMF, WBG, MDBs and other international economic and financial institutions to deliver more effective, inclusive, credible, accountable, fair, legitimate and fit-for-purpose institutions that are responsive to the needs of developing countries. We look forward to the results of the IMF Executive Board's work on further quota realignment, including through a new quota formula, to be submitted by June 2025. We look forward to a successful 2025 Shareholding Review of the International Bank for Reconstruction and Development. We call on international financial institutions to enhance their governance by, among others, increasing their geographical and gender representation. We recognize the stronger role that the United Nations can play in global economic and financial governance, while strengthening the voice and participation of developing countries in decision-making and norm-setting. BRICS members advocate for fair, open and non-discriminatory trade practices and are concerned with trade restrictive measures, which are inconsistent with WTO rules, including unilateral illegal measures such as sanctions. We recognize the progress made towards restoration of a fully and well-functioning two-tier dispute settlement system accessible to all members by 2024.

**4. Improvement of the International Monetary and Financial System (IMFS).** We recognize the crucial role of BRICS in the process of improving the international monetary and financial system, with a view to making it more responsive to the needs of all countries and contribute towards sustainable growth of the global economy. We acknowledge that the existing IMFS needs to better meet the developing economies' needs and adequately reflect their growing share in the global economy. In this regard, we appreciate the efforts by the Russia's Chairmanship and take note of the BRICS Chairmanship Research on the Improvement of the IMFS, which outlines its core principles of security, independence, inclusion and sustainability that would carry equal levels of importance and lead to great economic and social prosperity.

**5. Practical Financial Cooperation.** We reiterate our commitment to enhancing financial cooperation among the BRICS countries by exploring possible practical solutions for a more representative, efficient, fair, independent, inclusive, and resilient IMFS.

As tasked by our Leaders in Para 45 of Johannesburg II Declaration we considered the issue of local currencies, payment instruments and platforms and prepared the Report to Leaders. We will continue to advance this work and further examine the feasibility and technicality of the proposals presented in the Report as a collective BRICS initiative and will find ways through consensus to implement them.

We also acknowledge the contribution of the BRICS Business Council, as an independent body, to our efforts towards enhancing financial cooperation among the BRICS countries.

**5.1 BRICS Cross-Border Payments Initiative (BCBPI).** We recognize the widespread benefits of faster, low cost, more efficient, transparent, safe and inclusive cross-border payment instruments that are built around the principle of minimizing trade barriers and non-discriminatory access. We believe this will further enhance cooperation amongst the BRICS countries and encourage further dialogue to facilitate trade and investment flows between the BRICS members and other countries. We welcome the use of local currencies in international trade and financial transactions between BRICS and their trading partners. We also encourage strengthening of correspondent banking networks across the BRICS countries and enabling settlements in local currencies in line with BCBPI. In this regard, we welcome the conceptual document "Introductory Note on the BRICS Cross-Border Payments Initiative" prepared by the BRICS Payment Task Force (BPTF), which is voluntary and non-binding, and look forward to further discussion.

**5.2 BRICS Clear.** We acknowledge the importance of exploring the feasibility of connecting and integrating our financial markets infrastructure. We agree to further discussion on the feasibility of establishment of an independent cross-border settlement and depository infrastructure, BRICS Clear, which is voluntary for participation as well, an initiative to complement the existing financial market infrastructure. We take note of the BRICS joint stocktaking report on depository and clearing infrastructure.

**5.3 BRICS (Re)Insurance.** Further deepening of integration processes within BRICS requires the formation of a sovereign financial system of the member countries. We agree that an important component of such a system could be an independent reinsurance capacity. We agree to facilitate discussion to explore feasibility of possible solutions in this area, including BRICS (Re)Insurance Company, where participation would be voluntary and look forward to further discussion.

**6. Customs Cooperation.** We welcome the continued evolution of cooperation among BRICS countries, including, but not limited to, further discussion on the Mutual Administrative Assistance Agreement, signature of BRICS Authorized Economic Operator Joint Action Plan among the BRICS Customs Administrations towards Mutual Recognition of Their Respective Authorized Economic Operator

Programmes. Such cooperation enables the inclusion of new countries and their induction in the established process, capacity building, law enforcement cooperation, and the strengthening of cooperation among BRICS customs training centers to implement joint customs training activities and establishment of BRICS Centers of Excellence and its related online platforms.

**7. Tax Cooperation.** We acknowledge the efforts towards systematic and consistent tax cooperation of BRICS countries and welcome the adoption of the BRICS Heads of Tax Authorities Governance Framework. We support the project approach to BRICS tax cooperation and recognize the activities related to: modernization of VAT administration, use of big data to strengthen tax audit capabilities and improve public services, exchange of knowledge in application of HR-strategies and client-centric approach in BRICS tax authorities. We acknowledge the progress made regarding a systematic engagement approach applied by BRICS tax authorities in taking forward BRICS tax cooperation and sharing of good practices on people, data and technology and encourage BRICS tax governance development towards consistent and optimum outcomes.

We welcome the UN General Assembly resolution 78/230 on Promotion of inclusive and effective international tax cooperation at the United Nations. We express our appreciation for the commitment and dedication in developing the Terms of Reference for a United Nations Framework Convention on International Tax Cooperation (UNFCITC) by the UN Ad Hoc Committee. We recognize the critical importance of developing the UNFCITC with its early Protocols to strengthen international tax cooperation and make it fully inclusive and more effective. We expect that the implementation of the UNFCITC will promote an inclusive, fair, transparent, efficient, equitable, and effective international tax system for sustainable development, with a view to enhancing the legitimacy, certainty, resilience, and fairness of international tax rules, while addressing challenges to strengthen domestic resource mobilization.

We support initiatives to enhance tax cooperation and build a more progressive, stable, and effective international tax system, promoting tax transparency and facilitating discussions on effective taxation of high net-worth individuals.

**8. Cooperation on Infrastructure Investment.** The BRICS Public-Private Partnership and Infrastructure Task Force (Task Force) held several meetings, including the first in-person meeting after COVID-19, which allowed its members to discuss and present their best practices in applying blended finance to support infrastructure projects. The Task Force gathered information on the landscape of application of various blended finance approach in BRICS countries and collected relevant case studies, which formed the basis for outlining an overview on BRICS blended finance practices and preparing key learnings. We recognize that the use of blended finance is an effective way to mobilize private capital to finance infrastructure projects. We

note the important role of multilateral development banks and development finance institutions, in particular national development banks, in institutionally scaling up the use of blended finance and other instruments, and thereby contributing to the achievement of the Sustainable Development Goals in accordance with country-specific needs. To this end, we commend the work of the Task Force and endorse the Task Force's Technical Report on Infrastructure Projects Blended Finance.

**9. New Development Bank (NDB).** We recognize the key role of the New Development Bank in promoting infrastructure and sustainable development of its member countries. We support further development of the NDB, a steady process of membership expansion, as per the NDB's approved policies, and improvement in corporate governance and operational effectiveness towards the fulfillment of the NDB's General Strategy for 2022-2026. We support the NDB in continuously expanding local currency financing and strengthening innovation in investment and financing tools. While respecting the NDB's governing bodies, we will strive to improve the NDB's efficiency for the benefit of BRICS members and partners. We agree to jointly build the NDB into a new type of multilateral development institution in the 21st century.

**10. We welcome the operationalization of the BRICS Think Tank Network for Finance (Network).** We welcome the signing of the Memorandum of Understanding among the research institutions of the BRICS countries, which creates basis for its ongoing close cooperation. We highly appreciate the results of the Network meetings held in recent months that provide an opportunity for the BRICS research institutions to exchange views on the most topical issues of the BRICS finance agenda. We look forward to strengthening the collaboration in the Network and providing intellectual support to the BRICS Finance Track considering next year's priorities.

**11. The BRICS Contingent Reserve Arrangement (CRA)** is a Regional Financial Arrangement that aims to complement the global financial safety net. CRA is designed to provide financial support to member countries during the times of balance of payments crises and safeguard their economic stability. The CRA members reiterate their commitment to improve the CRA mechanism's flexibility, by incorporating multiple currencies for payment. The CRA members would expedite the ongoing amendment deliberations and look forward to the finalization of the amendments to the CRA Treaty and other relevant CRA documents. We will consider viable options to improve the effectiveness of the CRA mechanism. The CRA members acknowledge the successful completion of the seventh CRA Test Run and approve its final evaluation report. We welcome the fifth edition of the BRICS Economic Bulletin with the theme 'BRICS Economies in a Higher-Rate Environment'. We would like to underscore that all new BRICS members will have an option to apply for CRA membership and new members will have the necessary support in the field of sharing information, knowledge and experience.

**12. We have commended the BRICS Payments Task Force (BPTF) initiatives** since its inception in 2020. We note the growing role of BPTF to address practical challenges in the payment cooperation. We welcome the joint work of the BRICS central banks in 2024 on the BRICS Cross-Border Payments Initiative (BCBPI), settlements in BRICS countries' national currencies, supervision and oversight in national payment systems and ISO 20022 implementation in the BRICS countries. We are looking forward to further discussions of payments initiatives in the BPTF and cooperation towards finding a way forward on a bilateral basis.

**13. We declare our support to maintaining cooperation on topics of mutual interest on information security in financial sector, financial technology, sustainable development and transition finance.** We appreciate the BRICS Finance Track joint training events and seminars. We welcome the outcomes of the first cybersecurity drills conducted within the BRICS Rapid Information Security Channel (BRISC) that would strengthen the BRICS countries' financial sector cyber resilience.

**We welcome the BRICS central banks issue-related joint research and documents:**

- a) The Introductory Note of the BRICS Cross-Border Payments Initiative.
- b) The Consensus document "Key Areas to Boost Settlements in BRICS Currencies".
- c) The position paper "Approaches to drafting uniform rules for the ISO 20022 messages in cross-border payments among the BRICS countries supported by alternative financial messaging channels";
- d) Analytical report "The payments market and approaches to supervision and oversight of the BRICS countries".
- e) The updated version of the information security regulation guidebook "E-booklet";
- f) The third edition of the BRISC Best Practices Compendium titled "Penetration Testing and Vulnerability Assessment of Information Infrastructure Facilities";
- g) The BRICS White Paper on AI in finance;
- h) Transition finance report on "The main approaches to harmonizing information disclosure standards in the area of sustainable development in the BRICS countries".