

Joint Statement  
of the  
3rd China-Germany  
High-Level Financial Dialogue

On October 1 2023, Chinese Vice Premier He Lifeng and German Minister of Finance Christian Lindner co-chaired the 3rd China-Germany High Level Financial Dialogue in Frankfurt am Main, attended by senior officials from the two countries. Both sides reiterated that this dialogue mechanism is a key platform for bilateral exchange and policy coordination on strategic, overarching, and long-term fiscal and financial issues. Both sides are committed to bilaterally and multilaterally strengthening macroeconomic policy coordination, jointly promoting global economic recovery and sustainable development, and safeguarding global financial stability. Both sides agree to strengthen cooperation in the fiscal and financial fields, and open market access based on a level playing-field. Both sides are committed to improving international economic governance, combating trade protectionism, and supporting the rules-based, non-discriminatory, fair, open, inclusive, equitable, sustainable and transparent multilateral trading system with the WTO at its core.

During this dialogue, both sides reached consensus on the following:

1. Global economic prospects remain clouded by multiple conjunctural as well as structural risks. In this context and in light of generational challenges ahead of us, including the transition to carbon neutrality, both sides commit to bolstering global confidence and enhancing strong, sustainable, balanced, and inclusive growth for the global economy. This includes well-calibrated monetary, fiscal, financial, and structural policies as well as continued macro policy cooperation, bilaterally and multilaterally, to promote growth and undisrupted supply chains, boost productivity, support the transition, reduce inequalities and maintain macroeconomic and financial stability as well as price stability.
2. Both sides also commit to combating trade protectionism, and promoting an open world economy and a rules-based, non-discriminatory, fair, open, inclusive, equitable, sustainable and transparent multilateral trading system with the WTO at its core.

3. Both sides commit to jointly promoting global economic recovery and sustainable development, and aim at safeguarding global financial stability. Both sides support the role of the G20 as the premier global forum for international economic cooperation. Both sides affirm the outcomes of the just concluded G20 Summit, are committed to implementing the agreements of meetings and summits of the G20, including those of the Finance Ministers and Central Bank Governors, and will work together for stronger G20 solidarity and cooperation in areas such as macro policy coordination, structural reforms, sustainable development, climate finance, the international financial architecture and the digital economy to address global economic and development challenges.
4. China and Germany re-emphasize the importance of addressing debt vulnerabilities in low and middle-income countries in an effective, comprehensive and systematic manner. China and Germany will work together with other G20 members to stand by all the commitments made in the Common Framework for Debt Treatments beyond the DSSI, including those in the second and final paragraphs, as agreed on November 13, 2020, and step up the implementation of the Common Framework in a predictable, timely, orderly and coordinated manner. Both sides welcome joint efforts by all stakeholders, including private creditors, to continue working towards enhancing debt transparency, and look forward to the improved information sharing by the IMF and the World Bank, including on macroeconomic projections and debt sustainability assessments at an early stage of the debt restructuring process.
5. Both sides commit to maintaining strong cooperation in the International Monetary Fund (IMF). Both sides support a strong, quota-based and adequately resourced IMF and its central role in the global financial safety net. Both sides support the IMF in completing the 16th General Review of quotas in a timely manner to ensure the primary role of quotas in IMF resources, which is expected to reflect the relative positions of the member countries in the world economy. We call for further voluntary subsidy and loan pledges to the PRGT by the IMF/WBG 2023 Annual Meetings in Marrakech to meet the first stage PRGT fundraising needs, particularly by countries that have not participated yet. Both sides support the implementation of the G20 Roadmap for sustainable finance.
6. Both sides will continue strengthening coordination and comprehensive cooperation under the framework of AIIB, jointly supporting AIIB to operate in a sustainable and robust way along international standards and as an institution that is integrated into the international architecture so as to better serve its members' needs for sustainable development.

7. Both sides will continue strengthening international development collaboration and jointly promoting the implementation of the Sustainable Development Goals (SDGs) and the 2030 Agenda for Sustainable Development, and promised to take further action to implement the 2030 Agenda at national and international levels to achieve stronger, greener, more balanced and inclusive global development.
8. Both sides will continue to maintain close cooperation to jointly cope with and combat cross-border tax evasion, to strengthen communication and cooperation on implementing the G20/OECD Tax Base Erosion and Profit Shifting Action Plan and to improve tax certainty. Both sides welcome the outcome statement on the two-pillar solution to address the tax challenges arising from the digitalization of the economy together with the delivery of a text of a Multilateral Convention on the re-allocation of taxing rights (Amount A of Pillar One) and the significant progress on the other elements as set out in the July 2023 Outcome Statement of the OECD/G20 Inclusive Framework on BEPS (Inclusive Framework). Both sides note the steps taken by various countries to implement the Global Anti-Base Erosion Rules as a common approach and the results achieved on the Subject-to-Tax-Rule along with the Multilateral Instrument to facilitate its implementation. Both sides call for greater coordination among countries implementing the Global Anti-Base Erosion Rules to avoid double taxation and mitigate compliance burden of enterprises. Both sides are pledged to help low-income countries in a variety of ways to strengthen their capacity building in tax administration – especially when it comes to the need for coordinated efforts towards capacity building to implement the two-pillar international tax package effectively. Both sides will continue to support the G20 commitment on tax transparency and automatic exchange of tax information.
9. Both sides agree that economic cooperation is beneficial to both countries and, as such, strengthening economic ties could be of mutual advantage. Both sides are committed to working together to expand mutual market access based on a level playing-field, and deepening sustainable trade and investment cooperation.
10. The two sides will co-organize the Sino-German Dialogue Forum on Financial Cooperation in Beijing in 2024, with an aim to review the history and achievements of 40 years of financial cooperation between China and Germany. We encourage relevant ministries to actively participate in the Forum, so as to work on joint cooperative solutions for global challenges such as climate action and biodiversity conservation.
11. Both sides agree to continue cooperation under the joint policy research cooperation mechanism between the Ministry of Finance China and the Germany Federal Ministry of Finance, and are committed to further enhancing communication and an exchange of expert views on topics such as demographic change and fiscal sustainability frameworks.

12. Both sides agree to further strengthen cooperation on banking and insurance regulation and supervision, and agree to have active communication on the signing of a MOU on insurance supervision between competent Chinese and Germany authorities. Both sides recognize the value of participation of insurance institutions to help increase financial inclusion, resilience and tackle demographic change in both countries. Both sides commit to timely processing of license applications of foreign companies linked to domestic banks and insurance companies by way of operational agreements such as joint ventures, and to ensure a level playing-field for them. China welcomes qualified German insurance companies to apply for operational licenses in areas they specialize in.
13. Both sides support the China Europe International Exchange (CEINEX) to play a positive role as an important platform to promote China-Germany and China-Europe financial cooperation, and are willing to jointly support the business development of CEINEX, including listing A-share index futures and options and increasing efforts to procure the timely completion of assessments related to such outstanding licenses.
14. Both sides welcome the possibility for listings of depository receipts (GDRs and CDRs) and will increase efforts to support a broader range of companies to use this opportunity, with a view to further enhancing capital market connectivity between the two countries.
15. Germany welcomes China's progress in recent years to provide a better regulatory environment for foreign banks in China. Both competent Chinese and Germany authorities agree to establish a dialogue around the necessary conditions for exempting subsidiary requirements for Chinese bank branches in Germany. China continues to express its willingness to encourage at least one bank headquartered in China to establish a subsidiary in Germany (Frankfurt/Main) as its European hub.
16. Both sides welcome the significant progress made in strengthening the foundations of green and sustainable finance, especially those made during China's and Germany's G20 Presidencies. Both sides will continue to devote efforts for the work under the Central Banks and Supervisors Network for Greening the Financial System (NGFS), encouraging financial institutions to conduct environmental risk analysis. Both sides agree to enhance efforts to support bilateral and global collaboration on green and sustainable finance, which will help mobilize the capital needed for climate actions, nature conservancy, and delivery of the UNSDGs. Both countries support the further development and wider applications of the Common Ground Taxonomy (CGT) developed by the IPSF Taxonomy Working Group co-chaired by China and Europe, including via facilitating the issuance of CGT-aligned financial products for cross-border transactions. Both countries will support the efforts in sustainable finance capacity building, including the launch of the Capacity-building Alliance for Sustainable Investment (CASI) for emerging market and developing economies

(EMDEs), and the work of ISSB in promoting the adoption of sustainability reporting standards by financial market participants in both countries and globally.

17. Both sides welcome the strengthening of sustainable finance cooperation including green bonds and ESG. Both sides agree to enhance exchange and cooperation between participants in each other's green bond market, and encourage innovative practices to enrich investment channels and promote market developments such as green bond information disclosure.
18. Both sides reiterate interest in a fruitful cooperation between the PBoC and the Deutsche Bundesbank, which was agreed through signing the Memorandum of Understanding by both central banks during the last financial dialogue in 2019. Both sides welcome their central banks enhancing cooperation and promote the implementation of the *Memorandum of Understanding on Central Bank Dialogue*. In particular economic and financial developments, central bank business, technical support and personnel training are areas for joint initiatives by both central banks.
19. Both sides commit to working towards global and complete implementation of FATF Standards and agree to enhance their cooperation in the field of Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) under multilateral frameworks including the Financial Action Task Force (FATF), support each other in the FATF's fifth round of mutual evaluation and other related work with advice and exchange of experience, and maintain timely communication on bilateral AML/CFT matters. Both sides will jointly promote cooperation and information exchange in the field of financial intelligence on the basis of an appropriate legal framework. Both sides look forward to exploring further ways of intensifying their collaboration, for instance through regular consultations and working visits.
20. Both sides agree to strengthen exchanges regarding digital developments in financial services markets, including developments in central bank digital currencies.
21. Both sides encourage qualified financial institutions to invest and conduct business in each other's market. Both sides agree to strengthen investment cooperation, actively promote domestic enterprises to invest in each other's market, and reduce obstacles in two-way investment.
22. Both sides agree to strengthen communication and cooperation in the securities, futures and derivatives market, and support communication and cooperation between their securities and futures regulators under bilateral or multilateral frameworks, in order to create favourable conditions to jointly address global economic and financial challenges and deepen cooperation.

23. Both sides welcome and encourage qualified German entities to actively participate in the China Inter-Bank Market, such as by issuing panda bonds, investing in RMB bonds, using RMB bonds as collateral and participating in China Inter-Bank FX Market, etc.
24. Both sides support German financial institutions to conduct RMB business and related financial services to facilitate cross-border trade and investment. Both sides support the lifting of bilateral restrictions and possible obstacles for cross-border transactions, and support the RMB clearing bank in meeting RMB business demand of local financial institutions and enterprises.
25. Both sides will continue to promote financial infrastructure interconnectivity and welcome cooperation between financial infrastructures and financial institutions from both countries.