

While the global economy is experiencing a sharp contraction in 2020 due to the impact of the COVID-19 pandemic, the outlook is less negative with global economic activity showing signs of recovery as our economies have been gradually reopening and the positive impacts of our significant policy actions started to materialize. However, the recovery is uneven, highly uncertain and subject to elevated downside risks. We reaffirm our determination to continue to use all available policy tools as long as required to safeguard people's lives, jobs and incomes, support the global economic recovery, and enhance the resilience of the financial system, while safeguarding against downside risks.

The G20 Action Plan, endorsed at our meeting on 15 April 2020, sets out the key principles guiding our response and our commitments to specific actions to drive forward international economic cooperation as we navigate this crisis and take steps to support recovery and achieve strong, sustainable, balanced and inclusive growth. Recognizing that members are in different stages of responding to the crisis and that the global economic outlook continues to evolve, we endorse the updates to the G20 Action Plan (Annex I). These updates will ensure that we promptly respond to the evolving health and economic situation. The global landscape continues to be rapidly transformed by economic, social, environmental, technological, and demographic changes. We will sustain and strengthen as necessary our efforts, considering the different stages of the crisis, to achieve strong, sustainable, balanced and inclusive growth, while making the most of current transformations in shaping the recovery, in a way consistent with our pre-crisis agenda. We reiterate our commitment that the G20 Action Plan is a living document and to regularly review, update, track implementation of, and report on it. We underscore the urgent need to bring the spread of the virus under control, which is key to supporting global economic recovery, and will take forward the commitments agreed at the G20 Finance and Health Ministers meeting on 17 September 2020. We will continue to facilitate international trade, investment and to build resilience of supply chains to support growth, productivity, innovation, job creation and development. We will continue to take joint action to strengthen international cooperation and frameworks.

We remain committed to continue working together to support the poorest countries as they address health, social and economic challenges associated with the COVID-19 pandemic. We remain committed to implementing the Debt Service Suspension Initiative (DSSI), allowing DSSI-eligible countries to suspend official bilateral debt service payments through end-2020. We welcome the progress achieved thus far. The preliminary reporting from the fiscal monitoring framework by the International Monetary Fund (IMF) and the World Bank Group (WBG) highlighted that, together with exceptional financing, the DSSI is significantly facilitating higher pandemic-related spending. The IMF and WBG have also continued to work on their proposal of a process to strengthen the quality and consistency of debt data and improve debt disclosure, and we look forward to further efforts in this area. In light of the continued liquidity pressure, while progressively addressing debt vulnerabilities, we agreed to extend the DSSI by 6 months, and to examine by the time of the 2021 IMF/WBG Spring Meetings if the economic and financial situation requires to extend further the DSSI by another 6 months, with targeted complements to the April 2020 DSSI Term Sheet as set forth in the attached addendum (Annex II), which is also agreed by the Paris Club. All official bilateral creditors should implement this initiative fully and in a transparent manner. We will continue to closely coordinate its ongoing implementation to provide maximum support to DSSI-eligible countries. We are disappointed by the absence of progress of private creditors' participation in the DSSI, and strongly encourage them to participate on comparable terms when requested by eligible

countries. We welcome multilateral development banks (MDBs) commitments of USD 75 billion to DSSI-eligible countries over the period between April-December 2020 alone, part of their USD 230 billion commitment to emerging and low-income countries as a response to the pandemic. While protecting their current ratings and low cost of funding, MDBs are encouraged to go further on their collective efforts in supporting the DSSI, including through providing net-positive flows to DSSI-eligible countries during the suspension period, including the extension period. We ask the MDBs to provide further details on the new resources provided to each eligible country. Building on the proposal by the Organization for Economic Cooperation and Development (OECD) to host the data repository, we look forward to further update on the implementation of the Institute of International Finance (IIF) Voluntary Principles for Debt Transparency.

Given the scale of the COVID-19 crisis, the significant debt vulnerabilities and deteriorating outlook in many low-income countries, we recognize that debt treatments beyond the DSSI may be required on a case-by-case basis. In this context, we agreed in principle on a “Common Framework for Debt Treatments beyond the DSSI”, which is also agreed by the Paris Club. We look forward to the endorsement of the Common Framework by members, subject to their domestic approval procedures. To this end, we will convene, ahead of the Riyadh G20 Leaders’ Summit in November 2020, an extraordinary G20 Finance Ministers and Central Bank Governors meeting where we will publish the Common Framework and also discuss outstanding issues related to the DSSI.

We reiterate our commitment to ensure a stronger global financial safety net with a strong, quota-based, and adequately resourced IMF at its center, and will keep demands on IMF resources under close review. We reiterate our call on the IMF to explore additional tools that could serve members’ needs, drawing on relevant experience from previous crises. Beyond the crisis response, we call on the IMF to prepare an analysis of the external financing needs in low income developing countries in the coming years and sustainable financing options, and on the WBG, to scale up its work and deploy instruments in new ways to mobilize private financing to these countries. We also continue to support the G20 Compact with Africa (CWA) initiative.

We will continue our cooperation for a globally fair, sustainable, and modern international tax system. We acknowledge that the COVID-19 pandemic has impacted the work of addressing the tax challenges arising from the digitalization of the economy. We welcome the Reports on the Blueprints for Pillar 1 and Pillar 2 approved for public release by the G20/OECD Inclusive Framework on Base Erosion and Profit Shifting (BEPS). Building on this solid basis, we remain committed to further progress on both pillars and urge the G20/OECD Inclusive Framework on BEPS to address the remaining issues with a view to reaching a global and consensus-based solution by mid-2021. We welcome the report approved by the G20/OECD Inclusive Framework on BEPS on the tax policy implications of virtual currencies. We welcome the progress made on implementing the internationally agreed tax transparency standards. We will continue our support to developing countries in strengthening their tax capacity to build sustainable tax revenue bases.

We reiterate our commitment to the Financial Stability Board (FSB)’s principles, underpinning the national and international responses to COVID-19. We look forward to the FSB’s holistic review of the March 2020 turmoil, including its assessment of whether the non-bank financial intermediation sector was sufficiently resilient. The pandemic has reaffirmed the need to enhance global cross-border payment arrangements to facilitate cheaper, faster, more inclusive and more transparent payment transactions, including for

remittances. To that end, we endorse the G20 Roadmap to Enhance Cross-Border Payments, which includes practical steps and indicative timeframes to address the identified challenges. We ask the FSB, in coordination with international organizations and standard-setting bodies, to monitor the progress, review the roadmap and annually report to the G20. In the spirit of encouraging responsible innovation, we welcome the FSB's work on the growing entry of BigTech in finance in emerging markets and developing countries and the use of supervisory and regulatory technology by authorities and regulated institutions, including the work on the G20 TechSprint, a joint initiative with the Bank for International Settlements (BIS) Innovation Hub, which sought out solutions to common supervisory and regulatory challenges from the global FinTech community. We look forward to the FSB completing the evaluation of the effects of the too-big-to-fail reforms. We also welcome the reports on work to avoid harmful market fragmentation from the FSB and the International Organization of Securities Commissions (IOSCO), and look forward to their further work on this issue. We ask the FSB to continue to deepen their analysis on procyclicality and credit worthiness. We welcome the updated G20 Financial Inclusion Action Plan (2020 FIAP), which will guide the work of the Global Partnership for Financial Inclusion (GPFI) for the next three years. We welcome the completion of the "GPFI Work Program and Structure: A Roadmap to 2020", including the updated GPFI Terms of Reference – 2020 as the final streamlining activity. Mobilizing sustainable finance and strengthening financial inclusion are important for global growth and stability. The FSB is continuing to examine the financial stability implications of climate change. We welcome growing private sector participation and transparency in these areas.

While responsible technological innovations can deliver significant benefits to the financial system and the broader economy, we are closely monitoring developments and remain vigilant to existing and emerging risks. We support that no so-called 'global stablecoins' should commence operation until all relevant legal, regulatory and oversight requirements are adequately addressed through appropriate design and by adhering to applicable standards. We support ongoing work by relevant international bodies on the benefits and existing and emerging risks arising from financial innovation. To this end, we welcome the reports on the so-called 'global stablecoins' and other similar arrangements submitted by the FSB, the Financial Action Task Force (FATF) and the IMF. We support the FSB's high-level recommendations promoting consistent and effective regulation, supervision and oversight of the so-called 'global stablecoins' across jurisdictions and look forward to the FSB's monitoring their implementation. We also look forward to the standard setting bodies engaging in the review of existing standards in light of the FSB report and making adjustments as needed. We look forward to the IMF's further work on macro-financial implications of digital currencies and so-called 'global stablecoins'. We support the FATF's ongoing work to address money laundering (ML), terrorist financing (TF) and proliferation financing risks relating to virtual assets and the so-called 'stablecoins' and call for the full, effective and swift implementation of the FATF standards worldwide. We welcome efforts by the FATF to highlight the ML/TF risks that have arisen during the COVID-19 pandemic and policy responses to address them. We support continued efforts to strengthen cyber resilience and welcome the FSB toolkit of effective practices for cyber incident response and recovery.

Annex II: Debt Service Suspension Initiative for the Poorest Countries – Addendum to the April 2020 Term Sheet.

With the view to extend the debt service suspension initiative (DSSI) beyond 2020, the DSSI Term-Sheet of April 15, 2020, is complemented as set forth below. All other elements of the April 2020 DSSI Term Sheet remain applicable.

Duration of, and eligibility to the DSSI extension:

All countries that were eligible to participate in the DSSI on the basis of the April 2020 DSSI Term Sheet remain eligible to participate in the DSSI extension, except those who failed to comply with the requirements set forth in the April 2020 Term Sheet. We will extend the DSSI to June 30, 2021 for these eligible countries. We will also examine by the time of the 2021 IMF/WBG Spring meetings if the economic and financial situation requires to extend further the DSSI by another 6 months.

Modalities of repayment of the maturities falling due during the DSSI extension:

The repayment period will be 5 years, with a one-year grace period (6 years total).

Other complements to the April 2020 Term Sheet

Under the DSSI and its extension, each beneficiary country is required to commit to fully comply with the limits on non-concessional debt agreed under the IMF Debt Limit Policy (DLP) or the WBG Sustainable Development Financing Policy, but not more.

Each creditor country intends to apply the suspension of debt service from the date each beneficiary country sends a formal request to its creditor(s), in anticipation of implementation of the extension and consistent with the goals of the DSSI to avoid any penalty, late interest, or additional fee. A formal agreement will be signed between the beneficiary country and each creditor country as soon as all the internal procedures are fulfilled. If a beneficiary country has made a payment on any debts which are DSSI-eligible, the official bilateral creditor may offer a return of that payment, under DSSI terms.

Beneficiary countries must request the DSSI from all their official bilateral creditors and not only a subset of them.

Outstanding issues such as how to treat arrears falling within the suspension period as well as payments due on syndicated loans, without affecting third parties, will be addressed by the time of the next G20 FMCBG meeting in November 2020.

While protecting their current ratings and low cost of funding, MDBs are encouraged to go further on their collective efforts in supporting the DSSI, including through providing net-positive flows to DSSI-eligible countries during the suspension period, including the extension period. We ask the MDBs to provide further details on the new resources provided to each eligible country.