

11<sup>th</sup> November 2022

### **Joint Statement on the 9th India-U.S. Economic and Financial Partnership**

The Indian Union Minister of Finance & Corporate Affairs Smt. Nirmala Sitharaman and United States Treasury Secretary Dr. Janet L. Yellen met here today for the 9<sup>th</sup> meeting of India-U.S. Economic and Financial Partnership.



*Union Minister of Finance & Corporate Affairs Smt. Nirmala Sitharaman and United States Treasury Secretary Dr. Janet L. Yellen give opening remarks at the start of the meeting of 9<sup>th</sup> India-US Economic Financial Partnership, in New Delhi.*

**Following the conclusion of the dialogue, Finance Minister Smt. Sitharaman and Treasury Secretary Dr. Yellen signed the following joint statement:**

We were pleased to lead for a second consecutive year the India-U.S. Economic and Financial Partnership meeting and to welcome Federal Reserve Chair Mr Jerome Powell, Governor Reserve Bank of India Shri Shaktikanta Das, and other participants.

The U.S. Treasury and Ministry of Finance launched our Economic and Financial Partnership in 2010 as a framework to cement the economic bonds between our two nations and build a foundation for greater cooperation and economic growth. At this ninth meeting of the Economic and Financial Partnership we reaffirmed that our regular dialogue is crucial to the U.S.-India economic relationship and to advancing global efforts to tackle pressing economic challenges.

During the ministerial meeting, we took stock of the extensive efforts that have recently been undertaken by both sides to deepen cooperation in a number of areas and we enhanced our mutual understanding on topics of global consequence. We had productive discussions on a range of subjects, including the macroeconomic outlook, supply chain resilience, climate finance, multilateral engagement, global debt vulnerabilities, anti-money laundering and combating the financing of terrorism.

Today's meeting featured a dedicated session on climate finance for the second time under the Economic and Financial Partnership, reflecting our respective commitments to drive urgent progress in combating climate change by collaborating closely on the shared goal of scaling up and mobilizing climate finance to meet our ambitious climate goals. We shared views on the re-energized global efforts to increase climate ambition as well as our respective domestic efforts to meet our publicly expressed climate goals. We agreed that public finance, when paired with enabling policies, can promote private finance. We also noted the importance of the evolving role of the multilateral development banks (MDBs) to better address global challenges, including climate change. We acknowledge the developed country goal to jointly mobilize \$100 billion every year till 2025 from public and private sources for developing countries, in the context of meaningful mitigation actions and transparency on implementation. We also agree to work together in arriving at a new collective quantified goal from a floor of \$100 billion annually for the post 2025 period, taking into account the needs and priorities of developing countries. We agreed that India and the U.S. should work together with partners to pursue a broad mix of public and private financing to facilitate India's energy transition in line with its nationally determined climate goals and capabilities. We also look forward to continuing the discussion of climate-aligned finance under the G20 Sustainable Finance Working Group with US as the co-chair and India holding the G20 Presidency next year.

In the context of the conflict in Ukraine, we discussed the current headwinds to the global macroeconomic outlook including increased commodity and energy prices as well as supply side disruptions, and we reemphasized our commitment to the central role of multilateral cooperation in addressing these global macroeconomic challenges. Both sides affirmed their commitment to debt sustainability, transparency in bilateral lending, and coordinating closely on extending fair and equal debt treatment to countries facing debt distress. We reiterated our commitment to step up our efforts to implement the G20 Common Framework for Debt Treatment in a predictable, timely, orderly and coordinated manner. We acknowledged the importance of working through MDBs to help India access and mobilize available financing to support development objectives, including climate action. We plan to continue engaging on these and other global economic issues both multilaterally and bilaterally. India and the United States look forward to continued collaboration to meet the most pressing global challenges under India's G20 Presidency commencing December this year. The United States warmly welcomes India's upcoming

leadership role and stands ready to support India in hosting a successful and productive year.

We welcome the OECD/G20 Inclusive Framework political agreement as representing a significant accomplishment for updating the international tax architecture to reflect the modern economy and establish an international tax system that is more stable, fairer, and fit for purpose for the 21st century. We welcome the progress on Pillar One and reaffirm our commitment to work together and with all partners to expeditiously complete the remaining technical work on Pillar One with respect to Amount A and Amount B. We call on the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) to conclude work on the Multilateral Convention during the first half of 2023. We look forward to the completion of the GloBE Implementation Framework under Pillar Two and call on member countries and the OECD/G20 Inclusive Framework on BEPS to conclude the negotiations on the Subject to Tax Rule (STTR).

Both countries will continue to work to enhance mutual collaboration in sharing of information to tackle offshore tax evasion. India and the United States make note of the progress made under the Inter-Governmental Agreement pursuant to the Foreign Account Tax Compliance Act (FATCA) with respect to sharing of financial account information. The two sides will continue to engage in discussions on full reciprocal arrangement on FATCA. The United States and India look forward to sustained engagement through the longstanding U.S.-India Financial Regulatory Dialogue, a platform for discussing emerging financial sector issues and priority areas, including banking and insurance sector reforms, capital market development, digital assets and payment system modernization, sustainable finance, and data security and protection frameworks. Both countries underscore their commitment towards exploring promising avenues of mutual collaboration, including India's maiden IFSC in GIFT City, Gujarat, during the 11th U.S.-India Financial Regulatory Dialogue to be held in the first half of 2023.

We are continuing our successful collaboration on attracting more private sector capital to finance India's infrastructure needs, which will support growth in both countries. The Treasury Department continues to provide technical support to India's National Infrastructure and Investment Fund (NIIF), including the scaling of debt and equity platforms devoted to renewable energy and implementing new environmental, social, and corporate governance policies to meet international standards, while catalyzing private institutional investment in Indian infrastructure. We are also collaborating through continued technical support for the issuance of municipal bonds for critical urban infrastructure improvements. India and the United States look forward to working together to prepare more cities to issue municipal bonds.

We continue to strengthen our cooperation in anti-money laundering and combating the financing of terrorism (AML/CFT) efforts, through increased information sharing and

coordination, including expeditious sharing of digital evidence and information for ML/TF investigations, as well as through the U.S.-India AML/CFT bilateral dialogue. Both sides agree on the importance of fighting financial crimes and on the effective implementation of the Financial Action Task Force standards to protect our financial systems from abuse. Moving forward, the United States and India will continue to exchange views on best practices and solutions for combating AML/CFT challenges.

This ninth meeting of the Economic and Financial Partnership reflected the growing importance of the U.S.-India relationship and the increasing economic and financial ties between our two economies. Both sides eagerly anticipate continued dialogue under the Economic and Financial Partnership and the further strengthening of our bilateral relationship.

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(Source: PIB, GoI)