

G7 FINANCE MINISTERS AND CENTRAL BANK GOVERNORS’ COMMUNIQUE

May 20-22, 2025 – Banff, Alberta

1. We, the G7 Finance Ministers and Central Bank Governors, met on May 20-22, 2025 in Banff, Canada together with the Heads of the International Monetary Fund (IMF), World Bank Group (WBG), Organisation for Economic Cooperation and Development (OECD), and Financial Stability Board (FSB). We were also joined by Ukrainian Finance Minister Sergii Marchenko and the President of the Financial Action Task Force (FATF) for parts of the meeting.

2. We began by reiterating our shared commitment to the G7. After 50 years of working together, transcending national differences and promoting global prosperity, the value of the G7 is clear. We held a productive and frank exchange of views on the current global economic and financial situation, the risks and opportunities common to our countries, and ways to address them. This joint statement reflects the outcome of the discussion between G7 Finance Ministers and Central Bank Governors during the meeting.

Global Economy

3. In the face of multiple complex global challenges, we are committed to pursuing our shared policy objectives. We agree that the G7 can leverage our strong economic relationships to advance our common goals. International organizations signaled at our last meeting that trade and economic policy uncertainty was high and weighing on global growth. We acknowledge that economic policy uncertainty has declined from its peak, and we will work together to achieve further progress. We also shared our concerns over unsustainable global macro imbalances.

4. In this respect, we also underscore the need to address excessive imbalances and strengthen macro fundamentals, given potential global spillovers. We call on the IMF to continue to enhance its analysis of imbalances in both its bilateral and multilateral surveillance. We continue to engage with each other and with international partners to advance international cooperation and deliver prosperity.

5. Strong and sustainable economic growth is the cornerstone of economic prosperity. We are committed to working together to achieve a balanced and growth-oriented macroeconomic policy mix that supports our economic security and resilience and ensures that all of our citizens can benefit from that growth. We are committed to maintaining well-functioning financial markets. We recognize that elevated uncertainty can have implications for the economy and for financial stability. We will continue to monitor and consult closely on these matters. Our central banks remain strongly committed to ensuring price stability, consistent with their respective mandates. We reaffirm our May 2017 exchange rate commitments.

Economic Resilience and Security

6. We recognize the need for a common understanding of how non-market policies and practices (NMPPs) aggravate imbalances, contribute to overcapacity, and impact the economic security of other countries. Building on our previous commitments and as guided by Leaders, we will contribute, as appropriate, to the monitoring of NMPPs, continuing to assess the distortions they cause in markets and their global spillovers. We agree on the importance of a level playing field and taking a broadly coordinated approach to address the harm caused by those who do not abide by the same rules and lack transparency.

7. We call on international organizations to address data gaps and deepen our collective understanding of NMPPs and their domestic and global implications. We agree that joint analysis of market concentration and international supply chain resilience would be useful areas of future work. This analysis will inform our respective policy approaches, which will in part be shaped by our underlying industrial and consumer structures. Where appropriate and relevant, we will engage partners beyond the G7.

8. We recognize a significant increase in international low-value shipments being sent to our economies in a decentralized manner, and the potential for this to overwhelm and take advantage of customs controls and duty and tax collection infrastructure. Collectively, we recognize the potential for illicit drug trafficking, the importation of counterfeit goods, the misclassification of merchandise, revenue leakage, inequity for our retailers, and significant environmental waste. We commit to exploring ways that our low-value importation systems could address these risks.

Support for Ukraine

9. We condemn Russia's continued brutal war against Ukraine and commend the immense resilience from the Ukrainian people and economy. Ukraine has suffered significant destruction. The G7 remains committed to unwavering support for Ukraine in defending its territorial integrity and right to exist, and its freedom, sovereignty and independence toward a just and durable peace.

10. We welcome ongoing efforts to achieve a ceasefire. If such a ceasefire is not agreed, we will continue to explore all possible options, including options to maximize pressure such as further ramping up sanctions. We reaffirm that, consistent with our respective legal systems, Russia's sovereign assets in our jurisdictions will remain immobilized until Russia ends its aggression and pays for the damage it has caused to Ukraine.

11. We agree that private sector mobilization will be important in the recovery and reconstruction of Ukraine, with costs estimated by the WBG at US\$524 billion over the next decade. We collectively commit to help build investor confidence through bilateral and multilateral initiatives. To this end, in addition to the ongoing support through the MIGA SURE (Support for Ukraine's Reconstruction and Economy) trust fund, we will work, including through the Ukraine Donor Platform, with the Government of Ukraine, international financial institutions (IFIs), and the insurance industry towards removing the blanket ban imposed on Ukraine as soon as possible. We will continue to coordinate support to promote the early recovery and reconstruction of Ukraine, including at the Ukraine Recovery Conference, which will take place in Rome on July 10-11, 2025. Further, we agree to work together with Ukraine to ensure that no countries or entities, or entities from those countries that financed or supplied the Russian war machine will be eligible to profit from Ukraine's reconstruction.

Bolstering Long-term Growth and Productivity

12. We agree on the importance of pursuing public policies that spur innovation, raise productivity and promote greater labour force participation. In an environment of high public debt and increasing fiscal pressures, we also agree that raising long-term growth potential is essential to manage risks to fiscal sustainability and increase wages and living standards.

13. We discussed and shared experiences on how best to pursue growth-enhancing policies in a fiscally prudent manner. We agree that structural reforms can help set the foundations for strong and sustainable economic growth. We recognize that specific growth policies need to be adapted to each country's needs and circumstances. We agree that maintaining a stable and predictable macroeconomic environment is important for strong growth and productive long-term investment.

Artificial Intelligence

14. We deepened our understanding of prospects for AI to raise productivity growth, and of the policies needed to realize the benefits. We appreciate the framework provided by the OECD to better quantify and monitor AI-driven productivity gains. We recognized the benefits of AI for the financial sector and the need to monitor and assess potential risks to financial stability as AI adoption further increases.

Financial Sector Issues

15. We are committed to a strong, resilient and stable financial sector. We reiterate that a continued focus on financial stability and regulatory issues remains vital to ensure the effective functioning of the financial system. We noted our support for the important work of the FSB and Standard Setting Bodies. We focused on non-bank financial intermediaries, which play an increasingly important role in financing the real economy. Their activities can contribute to the efficiency of financial markets but can also pose risks to the global financial system. We discussed sources of potential risk, including those from liquidity mismatch, leverage and interconnectedness. We agree on the need to assess non-bank data availability, use and quality and to share knowledge and approaches to monitoring and assessing potential risks.

16. Enhancing cross-border payments can have widespread benefits for citizens and economies worldwide. We remain committed to delivering cheaper, faster, more transparent and more accessible cross-border payments while maintaining their safety, resilience, and financial integrity. This includes supporting the implementation of the G20 Roadmap as well as appropriate future actions as necessary to meet these goals.

17. Cyber risks threaten to disrupt global financial systems and the institutions that support them. To address the evolving cyber threat landscape, we will continue to take action to further strengthen our shared response capabilities and protocols in the event of a significant cyber incident. We look forward to the G7 Cyber Expert Group's assessment of the risks and opportunities that AI presents for cybersecurity.

18. The potential effects of quantum technologies on the global financial landscape are becoming increasingly visible. Our central banks will explore how we can identify, categorize and mitigate potential risks to data security and financial stability and promote economic resilience.

Financial Crime Call to Action

19. We remain steadfast in our commitment to tackling financial crime, including money laundering, terrorist financing and the financing of proliferation of weapons of mass destruction (AML/CFT/CPF). We endorse a “Financial Crime Call to Action” to spur further progress and collective efforts of the Financial Action Task Force (FATF) and its Global Network. By bringing together over 200 jurisdictions around the world, the FATF is the ultimate international standard setter, and we welcome its leadership in combatting financial crime since its creation by the G7 in 1989.

20. Through strengthening our AML/CFT/CPF frameworks and enhanced international cooperation we will endeavor to stay abreast of emerging risks, understand the role of technology and deepen the responsible exchange of information to make it harder for criminals to access the financial system and evade detection.

21. We recognize financial crime acts as a barrier to growth, development and stability, and support efforts to strengthen frameworks in lower capacity countries. We encourage the international community to join us in this Call to Action and strengthen our collective response to financial crime.

Support for Developing Countries

22. We reaffirm our commitment to the ongoing implementation of the World Bank-led Resilient and Inclusive Supply-Chain Enhancement (RISE) Partnership and recognize its progress toward better integrating low- and middle-income countries in the global supply chain of clean energy products, especially in Africa. We welcome the adoption of a country roadmap in Zambia. We encourage the World Bank to further advance this initiative, and we look forward to the launch of the first local and regional information platforms in Africa. We support the expansion of RISE’s activities to Latin America and the Caribbean, and a better integration of all segments of the critical mineral supply chain. We call on Multilateral Development Banks (MDBs) to strengthen collaboration on critical mineral supply chains amongst themselves and with other key stakeholders. We also highlighted linkages to G20 initiatives facilitating private sector development, such as the G20 Compact with Africa.

23. We recognize that global crises, including health crises and natural disasters, pose significant challenges for all economies, with particularly severe impacts on vulnerable states, including small ones. We reaffirm the importance of strengthening support for these countries by facilitating domestic resource mobilization as well as the use and uptake of crisis preparedness and response tools, including Climate Resilient Debt Clauses and insurance, to help ease fiscal pressures. We encourage the IMF and MDBs to strengthen their focus on crisis prevention in order to reduce the incidence of crises materializing.

24. We call on the international community to make efforts to support vulnerable countries facing debt challenges. We look forward to the G20 work on improving the implementation of the Common Framework for debt treatments in a predictable, timely, orderly, and coordinated manner. We also agree on the importance of advancing debt transparency to support sound economic governance and financial stability. We call on the international community to make efforts to support vulnerable countries whose debt is sustainable but face near-term liquidity challenges. We recognize the need for continued efforts with all partners, public and private, to enhance the availability and quality of debt data, including through the Data Sharing Exercise with the World Bank.

25. We reaffirm our commitment to achieving more effective and impactful MDBs through reforms aiming to ensure that they work effectively as a system to address the most pressing global challenges, deliver on their core mandate, and use their resources as efficiently as possible, including by implementing the recommendations from the G20 Capital Adequacy Framework Review. We urge MDBs to continue to step up their efforts to mobilize private capital and enhance domestic resource mobilization in emerging markets and developing countries. We emphasize the importance of

implementing quality-based procurement policies and procedures that promote efficiency, competition from the private sector, and transparency.

G7 Financial Crime Call to Action

The G7 Finance Ministers and Central Bank Governors remain steadfast in our commitment to tackling financial crime, including money laundering, terrorist financing and the financing of proliferation of weapons of mass destruction (AML/CFT/CPF).

In 1989, the G7 created the Financial Action Task Force (FATF) to “prevent the utilization of the banking system and financial institutions for the purpose of money laundering”¹ and was soon joined by many other countries and jurisdictions which shared the same concerns and volunteered for a global effort against financial crime. Since its establishment, the FATF’s mandate and standards have expanded to include the combatting of financing of terrorism and the financing of proliferation of weapons of mass destruction. The transnational nature of money laundering, malicious nature of its predicate crimes, and integrated nature of our economies necessitate a collective approach to combatting illicit finance. 2025 marks the 35-year anniversary of the FATF’s “40 Recommendations”, which were developed collectively by FATF members and are now being implemented in more than 200 jurisdictions worldwide thanks to the joint efforts of the FATF Global Network.

The Intersection of Crime, Security, and Economic Prosperity

Organized criminals, including cartels, are exploiting gaps in global AML safeguards to launder the profits of their criminal activities such as drug trafficking (including fentanyl and synthetic opioids), fraud, cybercrimes, and human smuggling that generate billions in illicit revenue annually. These crimes are not only having a devastating impact on our communities, but they are also impacting national security and economic integrity as profits are re-invested into vast criminal networks that seek to undermine the rule of law and destabilize our governments and economies.

Financial crime is also harming global economic growth. The International Monetary Fund has found that illicit finance reduces productivity, widens inequality, inhibits legitimate investment and hinders an effective allocation of resources. The World Bank has found that financial crimes are a barrier to development sparking political instability, deterring private capital, undermining good governance and the rule of law, and generally eroding trust in governments and institutions. Illicit finance also robs treasuries of badly needed tax revenue at a time when so many economies around the world are facing historically high debt levels.

The World Bank sees tackling illicit finance in low-capacity countries as vital to their development priorities and requiring sustained engagement. Strengthening AML/CFT/CPF capacity in developing and low-capacity countries would improve financial inclusion and further deprive international organized crime groups of opportunities to launder their illicit proceeds or finance terrorism.

In this context, technically sound and effective AML/CFT/CPF frameworks contribute to safer communities, our collective security, and to stronger economies in the G7 and around the globe.

The Way Forward

Under the Canadian G7 Presidency, Finance Ministers and Central Bank Governors have taken stock of the fight we launched in 1989 and identified areas for further action. Today, we endorse the present **Financial Crime Call to Action to strengthen global security, protect financial sector integrity, and foster economic growth and economic development.**

¹ <https://g7.utoronto.ca/summit/1989paris/communique/index.html>

Strengthening our Frameworks

- **We re-commit to the founding principles of the FATF and will continue to actively support the organization.**
 - The FATF is the ultimate AML/CFT/CPF standard setter that catalyzes improvements in members' AML/CFT/CPF regimes. It is essential to maintain the FATF's role at the centre of the global fight against illicit finance.
 - We commit to ensuring that the FATF remains a technical body that produces in-depth and impartial peer reviews and research that inform our ongoing understanding of risk.
- **We commit to improving the effectiveness of our respective AML/CFT/CPF regimes. The G7 must lead by example.**
 - G7 financial systems remain the most interconnected in the world and continue to represent attractive targets for bad actors seeking to launder ill-gotten gains. The G7 will continue to improve our effectiveness in preventing the proceeds of crime from entering our financial sectors, detecting and disrupting money laundering threats, sanctioning criminals and depriving them of their illegitimate proceeds in a manner consistent with our domestic legal frameworks.
 - Shell companies are enablers for criminals to hide proceeds of crime and engage in illicit activities, such as large-scale tax and sanctions evasion. Ensuring that competent authorities, particularly law enforcement, have sufficient resources and tools to investigate and prosecute money laundering, terrorist financing, and proliferation financing involving shell companies is critical to fighting financial crime.
 - The procurement of dual use and military technology through circumvention of sanctions violates United Nations Security Council Resolutions and undermines global security. We commit to enhancing implementation of our targeted financial sanctions and ensuring they are the most effective in the world.

Enhancing International Cooperation

- **We will stay abreast of emerging risks tied to money laundering, terrorist financing and proliferation financing through research and the development of joint typologies and strategic intelligence.**
 - We express our serious concerns that virtual asset thefts and scams, including by the Democratic People's Republic of Korea, have reached unprecedented levels. These threats, as well as the methods used by criminals to launder their proceeds, must be better understood and addressed. This is necessary to raise awareness, enhance prevention, and mitigate money laundering as well as being critical to promoting responsible innovation in virtual assets and protecting virtual asset users in our jurisdictions. We will further research and exchange information such as typology work on emerging risks related to virtual assets, including from the perspectives of cybersecurity and AML/CFT/CPF, and take necessary measures.
 - We recognize that illicit actors will continue to take advantage of jurisdictional differences in approaches to countering sanctions evasion and the financing of proliferation. Therefore, we commit to work together to maintain an up-to-date and common understanding of relevant threats, vulnerabilities, and typologies to prevent and combat complex proliferation financing and sanctions evasion schemes.

- **We must break down silos and deepen the responsible exchange of information internationally to make it harder for criminals to access the financial system and evade detection.**
 - Bad actors are exploiting silos within, and across, AML/CFT/CPF regimes to conceal their actions. In response, we will improve risk-based and secure information sharing internationally between our national competent authorities, and domestically amongst the private sector and between public and private sector partners, consistent with our domestic legal frameworks. Facilitating this type of information sharing supports G7 efforts to mitigate the negative impacts of fraud on our businesses and citizens and to combat illicit activities by transnational organized crime groups, including cartels.
 - Many of our financial institutions operate across G7 markets. We will encourage deeper cooperation between our regulators who supervise on a group-wide basis. We commit to ensuring that our AML/CFT/CPF supervision is risk-based, effective and focused on stopping financial crime. We will also ensure that sanctions for non-compliance are proportionate, dissuasive and effective.

Addressing Financial Crime as a Barrier to Growth and Stability

- **We will support efforts to strengthen AML/CFT/CPF frameworks in lower capacity countries to foster growth and economic development.**
 - This can be achieved through many channels, including bilateral and multilateral assistance and collaboration. This work will ensure the G7 together with other FATF members keep pace with evolving regional risks, and support asset recovery to further deprive criminals of illicit proceeds and reduce opportunities for money laundering.
 - The FATF and its Global Network of nine FATF-Style Regional Bodies (FSRBs), which bring together more than 200 jurisdictions and 20 observer international organizations, are at the heart of the global fight against financial crime. We reiterate our commitment to supporting the FSRBs in overseeing the consistent and effective implementation of the FATF standards worldwide, including in the next round of mutual evaluations.
- **We commit to supporting the effective implementation of AML/CFT/CPF measures that are risk-based and proportionate.**
 - We recognize that a risk-based approach can promote economic development and financial inclusion by encouraging assessments of risk, identifying lower and higher risk scenarios, and implementing simplified AML/CFT/CPF measures in certain scenarios proportionate to the relevant risks.
 - By implementing the revised FATF standards, we will facilitate legitimate funds continuing to move through the formal financial sector, promoting economic development and financial inclusion while mitigating unintended consequences.
- **We commit to exploring the role of technology in AML/CFT/CPF implementation.**
 - We encourage adoption of new technologies that can more effectively detect, report and interdict illicit finance. This includes partnering with the private sector to understand how emerging technologies (including artificial intelligence) can be used to improve the efficiency and effectiveness of AML/CFT/CPF regimes. This should be consistent with our respective domestic legal frameworks and risk-based, while ensuring data protection and human rights.
 - We continue to support the FATF's initiatives to accelerate global implementation of its standards on virtual assets and virtual asset service providers (VASPs) as

well as its work on emerging risks, including those that arise from misuse of stablecoins and peer-to-peer transactions, offshore VASPs, and decentralized finance (DeFi) arrangements.

- o We are contributing to the FATF's ongoing work to strengthen its Standards on Payment Transparency to adapt to changes in payment business models and messaging standards and to foster payment systems that are more transparent, inclusive, accessible, safe and secure, while enabling faster and cheaper transactions, including remittances. Consistent with this work, we also support the G20 Roadmap for Enhancing Cross-border Payments.

Lastly, we commit to furthering this work under the French G7 Presidency in 2026, in coordination with all FATF members, and to report on the actions taken to implement the commitments in this Call to Action.

We encourage all countries to join us in this Call to Action. The international community can, and must, strengthen our collective response to financial crime and its impact on communities, security, and prosperity.

***** END OF CALL TO ACTION *****