

Joint Statement by the Chancellor of the Exchequer and the Finance Minister of Brazil after the inaugural UK-Brazil Economic and Financial Dialogue held in London on October 29, 2015

1. We, the Finance Ministers of the UK and Brazil, met today in London for our inaugural Economic and Financial Dialogue. At today's meeting, which included senior representatives of our Finance Ministries, we discussed ways to strengthen our mutual economic and financial cooperation in order to further boost trade and investment between our two countries.

Macroeconomic risks and policy responses

2. We welcome the strengthening economic activity in some economies, including the UK, but global growth falls short of our expectations and we share the concern that risks to the global outlook have increased.
3. We discussed shared challenges to achieving long-term sustainable growth, and agreed on the importance of structural reforms, together with credible fiscal policies, in enhancing long-run productivity growth and improving living standards. Both sides shared experiences on fiscal policy and on our respective fiscal consolidation programs with a view to improving policy effectiveness.
4. Both sides reaffirmed the importance of ensuring the global recovery and working towards strong, sustainable and balanced growth. Brazil and the UK will continue to support the G20's important role as the premier forum for international economic cooperation and will work together to make the G20 Antalya Summit successful.
5. The UK and Brazil agree to continue working closely on steps to address cross-border tax evasion and avoidance. Both countries welcome the agreement reached under the G20/OECD BEPS Project. Both sides reaffirm their G20 commitment to implement the new single global standard on the automatic exchange of tax information. Brazil and the UK reiterate our commitment to implement the G20 High Level Principles on Beneficial Ownership Transparency and look forward to further progress on country implementation plans.
6. We shared experiences relating to the implementation of measures to tackle money laundering and terrorist financing. The UK welcomed Brazil's recent progress in this area, with the recent approval of key measures by the Brazilian Congress and the upcoming voting of the remaining acts to criminalise terrorist financing.
7. The UK and Brazil exchanged positive views on trade negotiations and reiterated commitment to support the success of the EU-Mercosur FTA negotiations and work with the Chief Negotiators to set the date for a high quality exchange of offers. Our Trade Ministers will take forward these discussions in their Joint Economic and Trade Commission (JETCO) talks later today.

Infrastructure

8. We recognise the importance of infrastructure for economic and social development, and agree to enhance cooperation to improve the business environment for the delivery of infrastructure and encourage private investment in the sector. Both parties therefore agree to establish a joint UK-Brazil infrastructure task force, composed of representatives of business and government from both countries. The task force will meet at least twice within the next year with a remit to:
 - a. Encourage increased competition and openness in infrastructure bids, and UK investment in Brazilian infrastructure, as well as Brazilian investment in UK infrastructure;
 - b. Examine legal and regulatory frameworks to facilitate private financing and delivery of infrastructure;
 - c. Share best practice on infrastructure planning, project delivery and financing;
 - d. Help facilitate investment in infrastructure by identifying a pipeline of projects.
9. The UK and Brazil also agree to collaborate through a bilateral training and advisory programme on Public Private Partnerships and infrastructure finance and delivery to support infrastructure development in Brazil.
10. Recognising the importance of procurement law to facilitating investment in infrastructure, we agree to maintain a close dialogue about procurement and how this can better support an open and competitive investment environment. Both sides encourage their respective trade bodies (ICE and RIBA in the UK and CREA and CAU in Brazil) to consider how the process for recognising educational and professional qualifications from the respective countries might be streamlined.
11. Brazil and the UK further agreed to collaborate in exploring the financing in London of infrastructure development, in particular with regard to the issuance of sovereign or quasi-sovereign bonds for financing Brazilian infrastructure projects.

Financial services

12. We recognise the importance of the development of deep capital markets to facilitate investment in infrastructure and wider private sector investment. Both parties therefore agree to establish a joint high-level working group composed of UK and Brazilian government officials, and key figures from the private sector. The working group will meet twice per year with a remit to explore issues including increasing access to capital markets for SMEs and the benefits of well-developed and well-regulated financial markets, as well as new instruments to attract private capital to finance infrastructure projects, in particular securitization.

13. The UK and Brazil discussed the signing of a cooperation agreement for the UK to provide technical support on the development of capital markets, with scheduled bilateral meetings between counterparts in relevant government and regulatory bodies.
14. The UK and Brazil agreed on the benefits of developing an innovative insurance and reinsurance industry, and the potential for FinTech as a means to do this. Both parties agreed to establish a task force made up of representatives from the UK and Brazilian governments, and key figures from the private sector. The UK is further encouraged by recent regulatory changes implemented by Brazil to liberalise their insurance and reinsurance market.
15. Both sides discussed the benefits of liberalising regulations around pension fund investments, considering the need to increase returns as a consequence of the worldwide effects of population ageing.

Other cooperation

16. As consecutive hosts of the Olympic Games, we agree to continue to work together and share expertise to ensure a strong legacy in both London and Rio. Both countries expressed their interest in enabling commercial deals to support the Rio 2016 Olympic Games.
17. The UK and Brazil agree to collaborate on finding a multilateral solution to tackle the global economic threat posed by Anti-Microbial Resistance (AMR), working through the G20 and UN General Assembly.

Next steps

18. Today's dialogue marked a step-change in the UK-Brazil economic and financial relationship, and we are confident that it will lay the foundation for much closer cooperation in future years. We agree to continue to work closely to ensure follow through on our commitments, and look forward to the next round of talks in 2016.