

**11 October 2008**  
**References to OECD Guidance for Recipient Countries**  
**made by High-Level Financial Officials at the**  
**International Monetary and Financial Committee**

*Mr. Almunia, European Commission*

At the Spring European Council in March 2008, EU Member States acknowledged the beneficial contribution of **sovereign wealth funds** (SWF) to the EU economies, both in spurring growth and employment and in stabilizing financial markets. In this regard, EU Member States reiterated their commitment to an open investment environment. At the same time, they expressed a heightened need for reassurance in particular at the level of transparency, governance and accountability of SWF. To this end, the EU has participated actively in the work carried out in the OECD and has strongly supported the initiatives of the International Working Group of SWFs (IWG-SWF). In this respect, the European Commission has contributed to the dialogue between SWFs, originating countries and recipient countries and welcomes the Generally Accepted Principles and Practices issued by the IWG-SWF.

It is now important that the GAPP is effectively implemented by a sufficiently large number of SWFs. It is equally important that a standing group is established to monitor the implementation of the GAPP. Together with the engagements already taken by recipient countries at the OECD Ministerial -to be further worked out in the coming months – the GAPP is a major success that demonstrates SWFs and recipient countries are strongly committed to the preservation of an open investment environment, and intend to act accordingly.

*Mr. Stefan Ingves Governor, Sveriges Riksbank On behalf of Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, Norway, Sweden*

We welcome the agreement on a set of general principles and practices for sovereign wealth funds (SWFs). We also welcome efforts to continue an open, multilateral dialogue on SWFs, both by the working group hosted by the IMF and at the OECD. It is important to ensure the benefits of an open investment climate to both investor and recipient countries.

*Minister of Finance Christine LAGARDE, Chair of the EU Council of Economic and Finance Ministers*

EU Member States acknowledge that the process of confidence building is a two-way exercise that also builds on the commitments of recipient countries. In this context, we are fully committed to the work of the OECD in identifying investment guidelines for recipient countries, so as to ensure a proportional, non-discriminatory, predictable, transparent and accountable investment framework.

*Henry M. Paulson, Jr. Secretary of the Treasury, United States*

The IMF, along with the OECD, must continue to facilitate multilateral efforts to resist protectionism and maintain an open and stable international financial system. The recent agreement by the International Working Group of Sovereign Wealth Funds on a set of Generally Accepted Principles and Practices (GAPP), facilitated by the IMF, is a major step forward. We also welcome the OECD's work on investment policy principles to promote open, transparent, and predictable inward investment regimes.

*Statement by Peer Steinbrück Minister of Finance, Germany On behalf of Germany*

We welcome the adoption of Generally Accepted Principles and Practices (GAPPs) for Sovereign Wealth Funds (SWFs) by the International Working Group (IWG). As they will enhance transparency and trust between recipient countries and SWFs, these principles are an important prerequisite for an open global investment climate and underscore SWFs' strong stake in open and stable financial markets. We commend the IMF for its work in facilitating the development of these best practices and

we support the OECD's work on investment policy principles to promote open, transparent, and predictable inward investment regimes as a complementary commitment on the side of the recipient countries. We encourage the IWG to create a Standing Committee which could establish a monitoring process to review the GAPPs and to evaluate implementation thereof. It also could be a forum for a continuing dialogue between SWF and recipient countries.

*Statement by His Excellency Sultan N. Al-Suwaidi, Governor of the United Arab Emirates Central Bank United Arab Emirates On behalf of Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libyan Arab Jamahiriya, Maldives, Oman, Qatar, Syrian Arab Republic, United Arab Emirates, Republic of Yemen*

We commend the members of the International Working Group (IWG) for the Sovereign Wealth Funds for the development of a set of Generally Accepted Principles and Practices (GAPP). We also thank the Fund for its role in facilitating the compilation of these Principles, which represents a consensus view of the IWG members on issues that have been contentious and controversial. Developments in the ongoing financial turmoil have further emphasized the stabilizing role of SWFs in global financial markets. The work on finalizing these Principles in the span of only four months is testimony of the commitment by SWFs to uphold this role and to dispel protectionist concerns. We certainly hope that this effort will be met with an equally strong commitment on the part of the recipient countries to advance on guidelines to safeguard the free flow of global capital.

We welcome the recognition in the preamble to the Santiago Principles the voluntary nature of this exercise, and the emphasis that each of these Principles is subject to home country laws, regulations, and obligations. We have reservations regarding extending disclosure and transparency requirements to areas where the competitive position of SWFs relative to other types of investors would be compromised and a double standard created. In view of the voluntary and consensus-based character of the initiative, we are not convinced of proposals to monitor the implementation of the Principles. We have previously cautioned against 'voluntary' initiatives by the Fund from developing into 'mandatory' practices, which would detract from the ownership of these Principles by the SWFs. In addition, given the tight budgetary constraints that the Fund is operating under and the competing priorities in light of the ongoing financial turmoil, we would not be in favor of further Fund involvement beyond this stage.