



## **Joint Statement of the 12<sup>th</sup> ASEAN Finance Ministers' and Central Bank Governors' Meeting (AFMGM)**

10 April 2025, Kuala Lumpur, Malaysia

1. The 12<sup>th</sup> ASEAN Finance Ministers' and Central Bank Governors' Meeting (AFMGM) was co-chaired by H.E. Amir Hamzah Azizan, Finance Minister II of Malaysia, and H.E. Abdul Rasheed Ghaffour, Governor of Bank Negara Malaysia. We convened the 12<sup>th</sup> AFMGM to discuss developments in the region, including the progress of Finance and Central Bank initiatives and reaffirmed our shared commitment to fostering a resilient, inclusive, and sustainable economic future for the region.
2. We express our deepest condolences and solidarity with the people of Myanmar and Thailand in the wake of the devastating earthquake that struck on 28 March 2025. Our thoughts and prayers are with the victims and their loved ones during this difficult time.

### **Economic Outlook and Challenges**

3. We note that ASEAN's economic performance continues to be underpinned by strong domestic demand, steady investment activity, robust export performance, as well as favourable employment conditions, amid moderating inflation.
4. The region is expected to remain resilient amid ongoing external headwinds. However, we express concern over the recent announcement of additional tariffs by the United States and their potential impact on our economies. With ASEAN members' economic openness and reliance on external trade, factors such as slower global growth, a contraction of international trade and reduced investment flows could adversely impact the region's growth outlook. The uncertainties arising from the imposition of tariffs and potential retaliation could pose risks of heightened volatility in both capital flows and exchange rates. We are monitoring this closely and stand ready to address this volatility if the need arises.

5. ASEAN reaffirms its continued commitment to the open, inclusive, and rules-based multilateral trading system and to ASEAN's economic integration. We stand ready to work constructively with all partners, including the United States, to find balanced, forward-looking solutions that support a more resilient and sustainable global economy. ASEAN commits to not impose any retaliatory measures in response to the U.S. tariffs<sup>1</sup>.
6. Amid heightened global uncertainty, we reaffirm our commitment to strengthen financial resilience and accelerate financial integration within ASEAN, thus supporting greater intra-ASEAN trade and investment integration.
7. We call upon International Financial Institutions to give greater prominence to the risks that elevated tariffs pose to the global economy and to advise their members on appropriate policy tools to navigate the risks.

### **Advancing Sustainable and Inclusive Growth**

8. We welcome Malaysia's 2025 ASEAN Chairmanship theme, "Inclusivity and Sustainability," and endorsed Priority Economic Deliverables (PEDs) in the Finance and Central Bank track, namely (i) Catalysing Access to Finance for Just Transition and Climate-Resilient ASEAN; (ii) Accelerating the Growth of a More Sustainable, Connected and Inclusive ASEAN Capital Market; and (iii) Fostering Inclusive Instant Payment Connectivity in ASEAN.
9. We welcome Malaysia's efforts to facilitate funding for the ASEAN Power Grid (APG), which is crucial for enhancing energy security and advancing ASEAN's low-carbon transition. Noting the substantial investment and private capital needed to bring this regional project to fruition, we encourage the participation of multilateral development banks, the private sector, investors and philanthropists from beyond the region. We will also explore suitable financing structures and alternative tools, including Islamic finance solutions, which offer broader instruments, to better mobilise private sector financing for APG projects, as well as lay the groundwork for broader private sector participation in sustainable infrastructure development.
10. We support Malaysia's initiatives to support the Small and Medium Enterprises' (SMEs) green transition through (i) the release of the ASEAN Greening Value Chain Playbook and (ii) the launch of the ASEAN Simplified ESG Disclosure Guide (ASEAN SEDG) Version 1 for SMEs in supply chains.

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<sup>1</sup> In alignment with the Joint Statement of The ASEAN Economic Ministers on The Introduction of Unilateral Tariffs of The United States, 10 April 2025

11. We also commend Malaysia's initiatives to further advance payment connectivity in the region through the endorsed multi-year roadmap that includes focused action plans to support ASEAN's payment connectivity journey and in setting quantitative targets<sup>2</sup> for the adoption and usage of cross-border payment linkages to be achieved in 2025.

### **Strengthening ASEAN as an Effective Platform for Regional Cooperation and Global Engagement**

12. We welcome and commend Project Revive, aimed at enhancing the governance, structure and process of financial cooperation, paving the way for greater synergy, flexibility and efficiency in shaping a future-ready ASEAN. This is imperative as we advance the implementation of the ASEAN Strategic Plan 2026-2030 and the ASEAN Community Vision (ACV) 2045. ASEAN is committed to remaining a robust platform for regional cooperation, delivering impactful and meaningful outcomes amidst an increasingly complex and dynamic global landscape.

### **Advancing Financial Integration and Strengthening Regional Financial Resilience**

13. We reaffirm our commitment to financial stability and deepening regional integration. We commend the Working Committees for the achievements and progress in financial services liberalization, banking integration, financial inclusion, capital market development, capital account liberalization and cross-border payment connectivity in line with the ASEAN Economic Community (AEC) Blueprint 2025. We also look forward to the reestablishment of the ASEAN Swap Arrangement (ASA), which will be important in enhancing the region's financial safety net and resilience. We encourage further collaboration to expand financial access and enhance liquidity management to support intra-ASEAN trade and investment, including through the endorsed Model Operating Guidelines for Local Currency Transaction Framework in ASEAN. We welcomed the support of the United Kingdom (UK) for the finance sector's End-Term Review of the AEC BP 2025. As we transition to the ASEAN Strategic Plan 2026-2030 that is currently being developed, we are encouraged to build on existing collaboration and synergies while advancing innovative and forward-looking synergies to support the realization of the ACV 2045.
14. We commend the development of the ASEAN Capital Markets Forum (ACMF) Action Plan 2026-2030<sup>3</sup>. The Action Plan aims to build a more sustainable and

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<sup>2</sup> In 2025, the aim is to see the number of payment linkages expanded from 18 to 25 and enhanced usage of cross-border payment services, targeting a 50% increase in QR payment transactions and a 25% increase in peer-to-peer fund transfers.

<sup>3</sup> The Action Plan features 5 Strategic Thrusts, which are supported by eight Key Priorities.

resilient ACMF and ASEAN, promote inclusivity and financial empowerment, strengthen regional integration and global positioning, and drive digitalization. We look forward to its delivery by year-end.

15. We endorsed the establishment of the ASEAN Cross-Sectoral Working Committee (ACS-WC) to oversee the cross-sectoral working groups on disaster risk financing and health, as well as evaluate the new proposed initiative on food security, in line with the evaluation framework for the creation and termination of cross-sectoral working groups. We also welcome initiatives by the ASEAN Cross-Sectoral Coordinating Committee on Disaster Risk Financing and Insurance (ACSCC DRFI). These initiatives seek to add new perspectives and complement efforts to the other sectoral tracks<sup>4</sup> towards fostering a more resilient ASEAN in the face of evolving climate and health-related challenges.

### **Enhancing Trade, Customs, Tax, and Treasury Cooperation**

16. We recognize the progress in customs integration, particularly in digitalization and automation, which enhances trade efficiency and supply chain resilience. The adoption of the ASEAN Single Window and mutual recognition arrangements for Authorized Economic Operators are key milestones in facilitating seamless cross-border trade.
17. On taxation, we are encouraged by ongoing efforts to strengthen cooperation through the completion and improvement of bilateral tax treaties among ASEAN Member States (AMS), sharing of knowledge on the implementation of base erosion and profit shifting (BEPS) Pillar 2, and advancing the discussion on tax transparency initiatives. We also note Malaysia's proposal for a Tax Identification Number (TIN) framework to enhance information exchange under the Common Reporting Standard, ensuring greater accuracy in tax compliance across ASEAN.
18. We commend the successful launch of the ASEAN Treasury Forum's (ATF) inaugural meeting in Bali, Indonesia, in October 2024. We, therefore, acknowledge and endorse the establishment of four working groups focused on: Public Expenditure Management, Government Cash Management, Government Accounting and Reporting, and the Digitalization of Public Financial Management. We believe such a platform would be key to enabling focused discussions, facilitating knowledge-sharing activities, and exploring best practices in public financial management and treasury among AMS.

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<sup>4</sup> Includes the implementation of disaster risk financing strategies, the strengthening of regional health response mechanisms, and the advancement of sustainable food security strategies.

## **Promoting Digital and Financial Innovation**

19. We commend the substantial progress made in adopting and promoting cross-border payment systems, with 21 operational linkages enhancing transactions both within ASEAN and with key economic partners such as Japan, India, and Hong Kong, China, as well as progress in developing a multilateral payment connectivity through Project Nexus, in which the Nexus scheme organization under the name “Nexus Global Payment” has been established in Singapore at the end of March.
20. We reaffirm our commitment to strengthening cross-border payment oversight, expanding instant payment linkages, and enhancing cybersecurity to mitigate risks associated with digital transactions. To promote safety in the financial system, we also emphasize the importance of combating financial crime, fraud, and scams through coordinated regional efforts, enhanced information-sharing mechanisms and contributions to global discourse. In this regard, financial regulators and banks in ASEAN agreed to collaborate towards developing a regional ecosystem to combat fraud and scams, integrating both pre- and post-scam mitigation strategies to address evolving threats.
21. We strongly urge financial institutions and businesses to actively engage in and promote regional cross-border payment initiatives. The industry and private sector’s support is crucial not only for advancing digital payments but also in further enhancing socio-economic inclusion throughout the region.

## **Scaling Up Sustainable Finance for Just and Orderly Transition**

22. We acknowledge and commend efforts to mobilize both public and private resources and investments to address ASEAN's infrastructure development needs and regional connectivity. In this regard, we endorse the ASEAN Infrastructure Fund’s (AIF) Action Plan for 2025-2028 at the ASEAN Finance Ministers' Meeting (AFMM) on 10 April 2025. Recognizing the dynamic nature of regional infrastructure priorities, we agree that the Action Plan will serve as a “living document,” allowing for necessary adjustments to ensure its continued relevance and effectiveness. The AIF Action Plan outlines four strategic priorities aimed at (i) expanding AIF financing capacity, (ii) enhancing competitiveness, (iii) introducing new financing facilities, and (iv) increasing AIF visibility and partnerships. The proposed new financing facilities include (i) the establishment of the Regional Connectivity Project Readiness Facility (RCF)<sup>5</sup>, (ii) the establishment of the ASEAN Power Grid Transition Finance Facility (ASEAN TFF) to accelerate APG development, and (iii) a pilot Islamic finance facility.

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<sup>5</sup> This facility will provide technical assistance grants and loans for project preparation, policy advice, and capacity building.

23. We are encouraged by the finalization of Version 3 of the ASEAN Taxonomy for Sustainable Finance (ASEAN Taxonomy) and its Foundation Framework use cases for SMEs in December 2024, as well as the ASEAN Sustainable Investment Guidelines (ASIG). We also note the steady progress of Version 4, which aims to provide comprehensive coverage of the ASEAN Taxonomy's six focus<sup>6</sup> and three enabling<sup>7</sup> sectors, with publication targeted by year-end. These developments are critical to ensuring a just, credible and orderly transition in ASEAN, reinforcing the ASEAN Taxonomy's role in guiding sustainable capital allocation – one that is responsive to the diverse circumstances of AMS while remaining interoperable with other international frameworks and guidance. We welcome the upcoming launch of the All-Countries Common Equivalence Platform for Taxonomies (ACCEPT) and its utility in facilitating the use of and interoperability between the ASEAN Taxonomy and AMS' national taxonomies.
24. We also commend the meaningful progress to promote sustainable finance and the region's transition to a low-carbon future through the various sustainable finance key initiatives and collaboration. This includes: (i) the accomplishment of the ASEAN Green Map; (ii) the launch of the ASEAN Transition Finance Guidance (ATFG) Version 2; (iii) the establishment of the ASEAN Sustainable Finance Support Hub; (iv) the launch of the Asia Green Transformation Consortium (Asia GX Consortium); (v) the efforts to explore the development of the mitigation co-benefit and Adaptation for Resilience (mARs) guide to enhance usability and functionality of the ASEAN Taxonomy, in relation to climate change adaptation; (vi) the capacity building programs for ASEAN regulators and corporates to promote consistent and comparable sustainability disclosures; (vii) the development of the next phase of ACMF's Voluntary Carbon Market work; and (viii) the promotion of sustainability-related insurance.
25. We welcome the ongoing discussion on the World Bank and Asian Development Bank's proposed development of the ASEAN Power Grid Financing Framework (APGFF), which will be a "living document"- one that will be actively reviewed and updated to seize opportunities for attracting global capital flows. This is a promising step in advancing the region's sustainability agenda. We also call on the private sector, financial institutions, philanthropic capital providers and relevant stakeholders, including multilateral development banks, to actively support the APG's development and the region's overall transition efforts by mobilising green financing and contributing their expertise, technology and resources.

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<sup>6</sup> Electricity, gas, steam & air conditioning supply; Transportation & storage; Construction & real estate; Agriculture, forestry and fishing; Manufacturing; and Water supply, sewerage and waste management.

<sup>7</sup> Carbon capture, storage & utilisation; Information and communication; and Professional, scientific and technical.

## **Dialogue with the Business Councils**

26. We appreciate the exchanges with the ASEAN Business Advisory Council (ASEAN BAC), EU-ASEAN Business Council (EU-ABC), and the US-ASEAN Business Council (US-ABC) on pressing regional and global issues. We emphasised the importance of the industry partners' role in advancing financial integration. This includes facilitating the region's transition through funding, leveraging alternative solutions including Islamic finance, technology transfer, and capacity building, as well as promoting cross-border payment initiatives and addressing risks from fraud and scams.

## **Conclusion**

27. We express our appreciation to Malaysia for hosting the 12<sup>th</sup> AFMGM and its Related Meetings during this milestone year, marking the 10<sup>th</sup> anniversary of the AEC. We also appreciate the support given by the ASEAN Secretariat to the 12<sup>th</sup> AFMGM and its Related Meetings.
28. We look forward to the Philippines' Chairmanship in 2026 as we begin to implement the AEC Strategic Plan 2026-2030, our first five-year roadmap towards realizing the ACV 2045.

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