

**FOSTERING GROWTH AND PROMOTING
A RESPONSIBLE MARKET ECONOMY
A G8 DECLARATION**

Efficient capital markets are critical to achieving and maintaining economic growth. To support growth, economies need sound legal systems, effective regulation and transparent corporate governance practices. These factors underpin effective disclosure that is fundamental to well-functioning markets. Sound social frameworks and attention to the long-term impacts, including on the environment, of investment decisions and business processes are also important for sustainable growth. Timely and accurate information assists shareholders in exercising control and investors in allocating funds to their most productive uses. In support, governmental authorities should ensure that corporate reporting assists them in monitoring markets and in identifying vulnerabilities.

Trust and confidence are key ingredients of a well-functioning market economy. Restoring investor confidence through sound corporate governance, as well as corporate structures and market intermediaries that are more accountable, is essential to promoting growth in our economies. We encourage the many initiatives underway, in national capitals, international financial institutions and by international standard-setting bodies, to strengthen governance standards and disclosure regimes.

Corporate integrity, strengthened market discipline, increased transparency through improved disclosure, effective regulation and corporate social responsibility are common principles that are the foundations for sound macro-economic growth.

Common values and principles

1. Corporate governance

1.1. Market integrity

We commit to pursue with strong resolve our fight to further improve the integrity of the international economy, (including efforts against money laundering, financial crime and terrorist financing), which is essential for its efficiency, fairness and transparency. We will continue to work towards investor protection, enhanced regulatory compliance and vigorous law enforcement, including through comprehensive cross-border assistance.

1.2. Strengthened market discipline and effective regulation

We re-affirm our support of sound regulatory regimes that encourage and promote market dynamism and foster fair and effective competition among market participants. In order to support the beneficial process of globalisation, we aim in particular to enhance international cooperation and to foster a sound level playing field. We strongly support the work undertaken by the Financial Stability Forum (FSF).

1.3. Accountability and enhanced corporate governance

We reaffirm that companies must be accountable to their shareholders. As underscored in the OECD Principles of Corporate Governance, other stakeholders also have strong interests in these issues. To this end, we call for continued efforts globally to enhance corporate governance.

We also strongly support the on-going review of the OECD Principles and the implementation of the International Organization of Securities Commission (IOSCO) principles relating to corporate governance.

1.4. Increased transparency and quality of financial information

Integrity, quality and accessibility are the cornerstones of reliable financial information. We call on all information providers -- first and foremost companies and their auditors, as well as financial analysts, investment banks and rating agencies -- to abide by these principles.

Recognizing the need for financial stability, we commit to promoting high quality, internationally recognized accounting standards that are capable of consistent application, interpretation and enforcement, especially for listed companies.

2. Corporate social responsibility

Consistent with the outcomes of the World Summit on Sustainable Development, we support voluntary efforts to enhance corporate social and environmental responsibility.

We will work with all interested countries on initiatives that support sustainable economic growth, including the creation of an environment in which business can act responsibly. We also welcome voluntary initiatives by companies that promote corporate social and environmental responsibility, such as the OECD Guidelines for Multinational Enterprises and the UN Global Compact principles consistent with their economic interest. We encourage companies to work with other parties to complement and foster the implementation of existing instruments, such as the OECD guidelines and the ILO 1998 Declarations on Fundamental Principles and Rights at work.

3. Corruption and transparency

We emphasise our determination to fight corruption, one of the key obstacles to economic and social development, and mismanagement of public revenue and expenditure.

Significant and lasting progress in these areas can only be achieved through the concerted efforts of all governments, international institutions, the private sector and civil society. To this end we set out the attached G8 action plan.

We will jointly ask UN bodies, the IFIs, FSF, standard-setting bodies and other relevant international organizations to work with us on these issues and to further integrate them in their programs and actions.