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BACKGROUND BRIEF

U.S. TO IMF: Strengthen Anticorruption Safeguards in Lending

The U.S. has long recognized the value of the International Monetary Fund (IMF) in safeguarding the global financial system. U.S. Treasury Secretary Scott Bessent has urged the IMF to return to its core mandate of promoting economic growth and private investment, including the need for member countries to implement stronger anticorruption safeguards and governance frameworks to ensure the effective use of financing and protection of markets vital to the U.S. economy.

The IMF recognizes the macro-critical nature of governance weaknesses and corruption in a country's ability to meet fiscal targets included in its lending arrangements, but the U.S. Administration, supported by an array of other IMF members, experts, and outside stakeholders, argue that **more should be done**.

U.S. Treasury Secretary Scott Bessent has repeatedly called on the IMF to push for stronger anticorruption and transparency reforms in its engagement with member countries:

Corruption and criminal activity continue to stymie some IMF reform efforts. Strong commitments to governance, anti-corruption, and effective safeguards must underpin lending programs to help ensure lasting reforms catalyze more durable private sector-led growth.¹

Statement for the 2025 World Bank and IMF Annual Meetings

For low-income countries in particular, both the IMF and World Bank should promote policy discipline for countries to strengthen their institutions, tackle corruption, and ultimately lay the foundation for sound investment so that they see a future that no longer relies on donor assistance.²

Statement for the 2025 World Bank and IMF Spring Meetings

The IMF's lending function must also remain disciplined and focused. Strong programs are built on meaningful policy conditionality that address the root causes of balance of payments problems, incorporate credible macroeconomic projections, and ground themselves in rigorous debt sustainability analyses...In a more constrained external financing environment, the IMF

¹ Statement from U.S. Secretary of the Treasury Scott Bessent for the World Bank Development Committee and IMF International Monetary and Financial Committee, U.S. Treasury Department, Oct. 15, 2025, available at <https://home.treasury.gov/news/press-releases/sb0280>.

² Secretary Bessent IMFC-DC Statement, U.S. Treasury Department, Apr. 23, 2025, available at <https://home.treasury.gov/news/press-releases/sb0095>.

*should promote domestic revenue mobilization, better governance, and policies that support durable, private sector-led growth.*³

Statement for the 2026 World Bank and IMF Spring Meetings

In addition, both the FY **2026**⁴ and FY **2027**⁵ **budget requests** for the U.S. Treasury Department's International Programs state:

Because of our leadership, the IFIs share core American values of transparency and accountability, anti-corruption, and economic development driven by the private sector and free enterprise.

The strongly bipartisan **International Financial Institutions Act** one of the U.S.'s leading laws to guide its policy toward international financial institutions (IFIs), instructs the U.S. Executive Director to the IMF to:

Vigorously promote policies that would make the International Monetary Fund a more effective mechanism ... for promoting good governance principles within recipient countries by fostering structural reforms, including procurement reform, that reduce opportunities for corruption and bribery, and drug-related money laundering...

Work with the International Monetary Fund to—

- (A) foster strong global anti-money laundering (AML) and combat the financing of terrorism (CFT) regimes;*
- (B) ensure that country performance under the Financial Action Task Force anti-money laundering and counterterrorist financing standards is effectively and comprehensively monitored;*
- (C) ensure note is taken of AML and CFT issues in Article IV reports, International Monetary Fund programs, and other regular reviews of country progress;*
- (D) ensure that effective AML and CFT regimes are considered to be indispensable elements of sound financial systems; and*
- (E) emphasize the importance of sound AML and CFT regimes to global growth and development.*⁶

The Act also requires Treasury to submit an annual report on the status of reform efforts and policy implementation undertaken by the IMF. The **Administration's 2025 IFI Act report**, covering

³ Secretary Bessent IMFC-DC Statement, U.S. Treasury Department, Apr. 15, 2026, available at <https://home.treasury.gov/news/press-releases/sb0442>.

⁴ Department of the Treasury International Programs FY 2026 Executive Summary, U.S. Treasury Department, Jul. 1, 2025, available at <https://home.treasury.gov/system/files/266/21.-Treasury-International-Programs-FY-2026-BIB.pdf>.

⁵ Department of the Treasury International Programs FY 2027 Executive Summary, U.S. Treasury Department, 2026, available at <https://home.treasury.gov/system/files/266/22.-Treasury-International-Programs-FY-2027-BIB.pdf>.

⁶ International Financial Institutions Act, available at <https://www.govinfo.gov/content/pkg/COMPS-1356/pdf/COMPS-1356.pdf>.

developments from the previous year, highlights progress in furthering anticorruption and transparency reforms in IMF engagement. The report includes:

As a result of ongoing OUSED [Office of the United States Executive Director] engagement with IMF staff, IMF financing programs promote market-oriented reforms and help countries implement reforms that support economic growth and strengthen public financial management, debt transparency, governance, targeted social spending, and financial stability...

Treasury and OUSED consider governance and corruption issues as macro-critical for many countries and continue to urge the IMF's prioritization of these issues given their direct linkage to economic stability and growth. Additionally, Treasury and OUSED continue to press the IMF to strengthen engagement on governance in programs, surveillance, and diagnostics...

Treasury and OUSED engage IMF staff and other members at the IMF Board around the importance of strengthening anti-money laundering and combating the financing of terrorism (AML/CFT) policies.⁷

As a result of U.S. and other support for prioritizing the treatment of corruption and governance deficiencies across IMF operations, the Fund is stepping up its commitment to engage more countries in the Governance Diagnostic exercise and negotiate inclusion of recommended reforms from those diagnostics in financing agreements.

This is the beginning of a transformed approach to lending. The U.S. should continue to press the IMF to elevate governance and accountability, thus ensuring that countries have the proper frameworks in place to move beyond debt distress to greater economic stability, stronger markets, and growth with shared prosperity.

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⁷ Implementation of Certain Legislative Provisions Relating to the International Monetary Fund, U.S. Treasury Department, Jan. 2025, available at <https://home.treasury.gov/system/files/206/2024-Report.pdf>.