

United States House of Representatives
Committee on Financial Services
2129 Rayburn House Office Building
Washington, D.C. 20515

May 24, 2022

The Honorable Joseph Biden
President of the United States of America
The White House
1600 Pennsylvania Avenue, N.W.
Washington, DC 20500

Dear President Biden,

As the June 2022 Summit of the Americas (Summit) approaches, which will take place in my hometown of Los Angeles, California, I urge you to incorporate a key priority for Caribbean nations: financial access and inclusion. The United States, leveraging the collaborative, ongoing dialogue afforded by the Summit, should ensure that solutions, particularly to the phenomenon of bank de-risking, are advanced across the region.

Most of the Caribbean region has witnessed large financial institutions, both U.S. and foreign, scaling back or terminating their relationships with respondent banks in the region, making it significantly more difficult to do business and obtain financial services. Due to an unfortunate mix of potential regulatory penalties, maturing anti-money laundering laws, lingering (and often inaccurate) negative perceptions, small populations and volumes of transactions, and low bank profits, Caribbean nations and their citizens have a diminished ability to engage in cross-border trade, to accommodate U.S. tourists and their dollars, to receive funds from family abroad, to recover quickly from natural disasters, and to thrive economically.

I recently led a delegation of Congressional Members to the Caribbean where I co-hosted the *Caribbean Financial Access Roundtable* with the Prime Minister of Barbados, the Honorable Mia Amor Mottley, QC, MP. Participating in this event with the visiting Members of Congress were nearly a dozen Caribbean heads of state (many of whom will likely join you at the Summit), along with financial institutions, the International Monetary Fund, the Caribbean Development Bank, the U.S. Embassy in Bridgetown, and members of civil society. Our recent event built upon an earlier discussion I organized in 2019 where I brought together key stakeholders to build consensus around how to solve these pressing issues.

At our roundtable, we successfully identified several concrete actions that can be taken to address de-risking. These include providing technical assistance for legal and regulatory harmonization; supporting a consortium bank pilot project for the region; creating programs to encourage small- and medium-sized banks to offer correspondent banking services; level-setting U.S. and regional examiner understanding of AML enforcement; shifting how the U.S. Department of State reflects the effects of narcotics trafficking, especially for transit countries; formalizing an annual U.S.-Caribbean Banking Forum to discuss these issues; and creating a SWIFT-based AML audit directory.

Further, a discussion of correspondent banking services would fit well under the Summit's mandates related to "Security," "Justice and Rule of Law," "Sustainable Economic Growth," and even "Infrastructure/Transportation." As suggested by the Atlantic Council's March 2022 report, "Financial De-Risking in the Caribbean: The US Implications and What Needs To Be Done," this type of financial access is as essential as a seaport, airport, or clean water. This is why CARICOM leaders included the issue on their agenda for their meeting with Vice President Harris earlier this month.

While the de-risking issue overlaps with the broader issues of digital inclusion and financial inclusion, resolving de-risking requires focused, proactive solutions implemented collaboratively with Summit nations. I urge you to ensure that these issues, including access to correspondent banking relationships, are raised at the Summit and are incorporated as a permanent part of the ongoing Summit dialogues. Thank you for your consideration of this matter, and I look forward to a productive and engaging Summit.

Sincerely,

A handwritten signature in blue ink that reads "Maxine Waters". The signature is fluid and cursive, with the first name "Maxine" being larger and more prominent than the last name "Waters".

Chairwoman Maxine Waters

CC:

Secretary of State Antony Blinken, U.S. State Department
Former U.S. Senator Christopher Dodd, Special Advisor, Ninth Summit of the Americas
Former U.S. Representative Debbie Mucarsel-Powell, Special Advisor, Ninth Summit of the Americas
Ranking Member Patrick McHenry, U.S. House of Representatives, Committee on Financial Services