

# PRESS RELEASE

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## **Jamaica and U.S. Co-Host Public-Private Dialogue On Correspondent Banking, Strengthening Regional Relationships**

In recognition of the significant financial ties between the United States and the countries of the Caribbean, the Bank of Jamaica and the United States Department of the Treasury hosted a public-private roundtable on correspondent banking that took place on April 5, 2016. The success of this dialogue was due to the participation of key government and bank representatives from the United States, Canada, Belize, Anguilla, Antigua and Barbuda, Aruba, Barbados, Bermuda, British Virgin Islands, Cayman Islands, Curacao, Dominica, Dominican Republic, Grenada, Guyana, Haiti, Jamaica, Montserrat, St. Maarten, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname, The Bahamas, Trinidad and Tobago, and Turks and Caicos Islands.

This forum, attended by 110 representatives of 26 jurisdictions, enabled banks, supervisors, and policy-makers to directly engage on multiple issues of high-level economic and political importance to Caribbean nations and the United States. Specifically, this dialogue allowed Caribbean and U.S. authorities and banks to discuss how they manage correspondent banking relationships and what controls and processes the authorities expect banks to implement.

The U.S. Ambassador to Jamaica, Luis G. Moreno, delivered words of welcome, and the Minister of Finance, The Honourable Audley Shaw delivered opening remarks on behalf of the Caribbean host.

Sarah Runge, Director for Strategic Policy in the Office of Terrorist Financing and Financial Crimes, U.S. Department of the Treasury, chaired the meeting together with the Governor of the Bank of Jamaica, Brian Wynter. Director Runge acknowledged regional concerns over trends in correspondent banking, and spoke to the importance of understanding the various drivers behind the phenomenon to develop appropriate solutions in light of global economic trends and the persistent threats posed by illicit financial actors.

Governor Wynter stressed that this forum provided a valuable opportunity for government officials and industry representatives of the region to discuss the trends and challenges related to correspondent banking, voice concerns regarding compliance with international

standards and explore ways to mitigate money laundering and terrorist financing risks without sacrificing broader access to the international financial system. He added that this dialogue pointed the way to the elements that will maintain and strengthen bilateral and multilateral relations and support effective resolution of the current challenges.

Participants discussed the importance of correspondent banks managing risk rather than avoiding it by terminating whole classes of customers or products, and of placing greater reliance on assessing risk on a case-by-case basis consistent with the risk based approach promulgated by FATF. Keeping the global financial system safe and accessible is a necessary adjunct to inclusive growth and development.

The meeting provided compliance and business representatives of banks with a deeper understanding of U.S. and Caribbean efforts to adopt and effectively implement legal frameworks focused on preventing money laundering and terrorist financing, as recommended by a Financial Action Task Force (FATF), while addressing the complexity of regulations and risk exposures that may affect incentive structures with respect to certain classes of businesses.

The dialogue permitted frank discussion about expectations that U.S. and Canadian banks have of foreign correspondent banking partners. Participants spoke about recent changes to legal and regulatory frameworks in Caribbean countries, the importance of effectively implementing these new measures, and local perspectives on the risks of money laundering and financing of terrorism facing the jurisdictions and their financial institutions. Finally, they spoke about best practices and challenges including those related to the exchange of information across borders. Participants pledged to continue cooperating, both bilaterally and multilaterally, to set realistic expectations of fellow stakeholders and prioritize transparency and information sharing.

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