



COMMITTEE – CEOs’ Forum on Correspondent Banking

TERMS OF REFERENCE

MANDATE

In seeking to address the significant issue of the loss of Correspondent Banking relationships currently threatening the regions’ financial services sector, the Caribbean Association of Banks Inc. (CAB) convened a CEOs’ Forum in Miami on 16th April 2016 to explore potential solutions and develop a set of actions in response to this threat. There were forty two persons in attendance to include, CEO’s, Directors and Compliance Professionals from regional banks together with Technical Service Providers, a US Legal Representative and a potential provider of Correspondent Banking services. This Committee was established to advance the recommendations which emanated from the meeting.

Role

The Committee shall:

- I. Resolve the reducing access of correspondent banking services to Caribbean banks and find meaningful solutions.
- II. Develop greater awareness of the issue through a systematic regional approach to advocacy.
- III. Explore alternative payment modalities to reduce reliance on correspondent banks

Responsibilities

The responsibilities of the Committee are to:

1. Undertake activities in pursuance of the establishment of a Caribbean bank in the USA.
2. Conduct a survey to assess the number of members with automated compliance systems.
3. Explore whether there are funding sources available to assist smaller banks with automating their compliance system.
4. Discuss with IFC the possibility of playing the role of Confirmation House for Caribbean banks.
5. Make joint representation (CAB and regulators) to US regulators i.e. FDIC OCC, FinCen, Federal Reserve etc. Request from them, a common set of standards by which Caribbean banks should qualify for Correspondent banking services and provide a process by which banks would be certified.
6. Continue collaboration with partners like FIBA, World Bank, IMF for guidance when necessary.
7. Arrange meetings with the Caribbean diaspora to create awareness of the correspondent banking issue and to solicit their support for the CAB’s advocacy efforts.
8. Develop a communications strategy to include direct communication to stakeholders, frequent press releases etc.
9. Hold discussions with Visa to explore the use of their P to P and B to B products which can facilitate direct payment options.

10. Arrange for IBIS and Bitt as well as other alternative payment providers to hold discussions with members on the products and services that they offer.
11. Assist banks where necessary, in the understanding of the four pillars for onboarding a correspondent banking relationship as per Wolfs Berg Principles.
12. Identify sources of funding the budget for the activities to be undertaken by the Committee.

GOVERNANCE

The Committee shall report to the CAB Board of Directors through its Chairman. All activities of the Committee shall be subject to the approval of the Board of Directors of the CAB.

MEMBERSHIP

1. The Chair of the Committee shall be appointed by the members of the Committee.
2. The Chair shall be responsible for:
 - Setting the meeting agenda and ensuring its completion at all meetings.
 - Ensuring a record of decisions is maintained.
 - Overseeing all projects of the Committee and ensuring their timely completion.
3. The Committee shall comprise:
 - The Chairperson of CAB.
 - One Director of CAB.
 - Four members of the Association.
 - The General Manager of CAB will be the secretary to the committee.

MEETING

- The Committee will meet as deemed appropriate by the Chair. Meetings will generally be held via teleconference.
- Committee members are required to attend all meetings.
- The CAB Secretary will keep a record of all the minutes.
- Every attempt must be made to come to consensus on all issues; however, decisions will be made by majority vote.

BUDGET

1. The Committee will establish a budget for the activities to be undertaken and identify funding sources.