The Honorable Marcio Cuevas  
Minister of Economy of Guatemala

Dear Minister Cuevas:

During the course of negotiations of Chapter Twelve (Financial Services) of the United States – Central America Free Trade Agreement, Guatemala expressed its interest in the establishment of Guatemalan financial institutions in the United States. The United States takes note of Guatemala’s interest and affirms the United States’ policy of maintaining open markets in financial services. It observes that a large number of foreign financial institutions have established in the U.S. market. In particular, the United States notes the large number of foreign banks and insurance companies with offices in the United States and the opportunity of foreign banks and insurance companies, including Guatemalan banks and insurance companies, to establish in every state provided that the prudential criteria are met.

Along with open markets, strong regulatory and supervisory standards promote a robust financial system. In this regard, the Agreement does not restrict the ability of the United States to apply prudential measures governing the supply of financial services in the United States, including with respect to the establishment of financial institutions in the United States. The United States remains ready to help Guatemalan financial institutions to continue making progress toward meeting federal and state prudential requirements through technical assistance to Guatemala concerning the regulation and supervision of financial institutions.

I trust that this letter provides further evidence of the importance the United States attaches to open markets and its commitment to maintaining a welcoming environment for foreign financial institutions.

Sincerely,