

119TH CONGRESS
1ST SESSION

H. R. 4586

To establish a comprehensive strategy to support African and Caribbean diaspora engagement in development through reduced remittance costs, investment incentives, and institutional partnerships.

IN THE HOUSE OF REPRESENTATIVES

JULY 22, 2025

Mrs. CHERFILUS-McCORMICK (for herself and Mr. JACKSON of Illinois) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Foreign Affairs, and Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To establish a comprehensive strategy to support African and Caribbean diaspora engagement in development through reduced remittance costs, investment incentives, and institutional partnerships.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “African Diaspora In-
5 vestment and Development Act” or the “AIDA”.

1 **SEC. 2. FINDINGS.**

2 Congress finds the following:

3 (1) The United States is home to approximately
4 6,600,000 first generation African and Caribbean
5 immigrants, nested within a broader population of
6 46,000,000 African Americans, representing vast
7 economic, intellectual, and cultural capital, with
8 longstanding economic and cultural ties to their
9 countries of origin.

10 (2) Many members of these and other diaspora
11 and immigrant populations annually transmit to
12 their countries of origin or descent portions of their
13 incomes or other earnings—transfers known as re-
14 mittances—that in the aggregate often are large and
15 significantly contribute to economic growth, develop-
16 ment, and human welfare in recipient countries.

17 (3) Remittances to Africa were estimated at
18 over \$91,000,000,000 in 2023—transfers which sus-
19 tain families, fund education and healthcare, finance
20 small businesses, and fill gaps in national infrastruc-
21 ture.

22 (4) An estimated \$19,499,000,000 was remitted
23 to the Caribbean in 2023, with those countries re-
24 ceiving billions in essential family and community
25 support.

1 (5) Sub-Saharan Africa remains the most ex-
2 pensive region for sending remittances, with average
3 costs of 7.73 percent to send \$200 in Q1 2024. In
4 contrast, the average cost for Latin America and the
5 Caribbean is 5.97 percent.

6 (6) If the global average cost of remittances is
7 reduced to the Sustainable Development Goal target
8 of 3 percent, developing countries could save be-
9 tween \$5,000,000,000 and \$32,000,000,000 annu-
10 ally and redirect such resources to international eco-
11 nomic growth and development investment.

12 (7) The global remittance market was valued at
13 \$784,250,000,000 in 2022 and is projected to reach
14 \$1,330,000,000,000 by 2032, creating significant
15 employment and economic activity across the finan-
16 cial services industry.

17 (8) As the Economist noted on April 24, 2025,
18 “Emigration from Africa will change the world”—
19 not as a threat, but as a mutual opportunity for
20 global growth, shared prosperity, and demographic
21 balance.

22 (9) Yet the United States lacks a coherent
23 framework to channel this economic power into for-
24 mal investment, leaving diaspora members to oper-

1 ate in fragmented, uncoordinated environments with
2 limited access to incentives or protections.

3 (10) The future of United States-Africa rela-
4 tions does not rest solely on diplomatic summits or
5 state-to-state aid. It lies in the millions of quiet fi-
6 nancial acts made every month by diaspora citizens:
7 a tuition payment, a clinic donation, a loan to
8 launch a cousin's shop. These flows deserve the full
9 support of United States law and policy.

10 (11) By embracing the diaspora not only as
11 emotional kin but as strategic co-investors, this Act
12 positions the United States at the frontier of global
13 economic cooperation. It affirms that America's
14 strength abroad rests not only in its institutions—
15 but in the networks of commitment and capital held
16 by its people.

17 **SEC. 3. STATEMENT OF POLICY.**

18 It is the policy of the United States to—

19 (1) recognize African and Caribbean diaspora
20 communities as legitimate partners in United States
21 foreign economic policy, development assistance, and
22 national investment strategy;

23 (2) recognize the role of regional and country-
24 specific diasporas in cultural diplomacy, people-to-

1 people ties, and various diasporas' expanding con-
2 tribution to socioeconomic development;

3 (3) endeavor to reduce the cost of sending re-
4 mittances including through policies aimed at in-
5 creasing competition within the international finan-
6 cial transfers sub-sector and reducing related taxes
7 or other administrative costs and maximize their po-
8 tential to foster inclusive economic growth;

9 (4) safeguard the integrity and affordability of
10 remittance flows, including by prohibiting taxation
11 on personal remittances;

12 (5) promote financial inclusion and reduce
13 transaction costs through market competition,
14 fintech innovation, and diaspora-owned remittance
15 platforms;

16 (6) incentivize formal, productive investment in
17 diaspora countries of origin through targeted United
18 States tax policy, finance instruments, and legal
19 safeguards; and

20 (7) pursue the global Sustainable Development
21 Goal of reducing the average cost of remittances to
22 3 percent, especially for low-value transfers and
23 high-cost corridors, through market incentives, inno-
24 vation, and competition rather than price controls.

1 **SEC. 4. SUPPORT FOR DIASPORA INVESTMENTS FROM THE**
2 **UNITED STATES INTERNATIONAL DEVELOP-**
3 **MENT FINANCE CORPORATION.**

4 (a) IN GENERAL.—The Chief Executive Officer of the
5 United States International Development Finance Cor-
6 poration shall carry out a program to support, in the form
7 of matching up to \$5,000 (adjusted for inflation) in funds
8 per taxpayer, investments that the Chief Executive Offi-
9 cer, in coordination with the Secretary of the Treasury,
10 determines are investments by the African diaspora or in-
11 vestments in Caribbean countries that meet measurable
12 development goals in health, education, agriculture, clean
13 energy, or youth employment in Africa or the Caribbean
14 countries, respectively.

15 (b) INVESTMENTS BY THE AFRICAN DIASPORA IN
16 CERTAIN ISSUERS.—The Securities and Exchange Com-
17 mission shall issue rules to treat a member of the African
18 Diaspora who is not an accredited investor as an accred-
19 ited investor for purposes of the securities laws with re-
20 spect to securities offered or sold by an issuer, if—

21 (1) the United States International Develop-
22 ment Finance Corporation or another qualified de-
23 velopment finance institution holds an investment in
24 the issuer, as determined by the Commission;

25 (2) no more than 25 percent of the total funds
26 raised by the issuer in the applicable offering of se-

1 securities is purchase by members of the African Dias-
2 pora in reliance on this subsection; and

3 (3) the issuer discloses to the public the amount
4 of securities, in the aggregate, purchased by mem-
5 bers of the African Diaspora in reliance on this sub-
6 section.

7 (c) SPECIAL WINDOW FOR DIASPORA-LED INVEST-
8 MENT.—In addition to the program described in sub-
9 section (a), the Chief Executive Officer of the United
10 States International Development Finance Corporation
11 shall, using applicable authorities provided by the BUILD
12 Act of 2018 (22 U.S.C. 9601 et seq.), establish a special
13 window to provide support to diaspora-led investment
14 funds, social enterprises, and infrastructure projects in Af-
15 rican and Caribbean countries.

16 **SEC. 5. DIASPORA INFRASTRUCTURE BOND FRAMEWORK.**

17 The Secretary of the Treasury and the United States
18 International Development Finance Corporation are au-
19 thorized to provide support for the issuance of diaspora
20 bonds by African and Caribbean nations through credit
21 enhancement, technical assistance, and co-marketing with
22 diaspora investment vehicles.

1 **SEC. 6. MARKET EXPANSION FOR REMITTANCE PRO-**
2 **VIDERS.**

3 (a) REMOVING REGULATORY BARRIERS.—The Sec-
4 retary of the Treasury shall issue rules to remove undue
5 regulatory barriers applicable to remittance providers
6 that—

7 (1) are owned by members of the African Dias-
8 pora; and

9 (2) are fintech-driven.

10 (b) REMITTANCE INNOVATION FUND.—

11 (1) ESTABLISHMENT.—There is established in
12 the Treasury a fund to be known as the “Remit-
13 tance Innovation Fund”.

14 (2) USE OF FUND.—The Secretary of the
15 Treasury shall use amounts in the Remittance Inno-
16 vation Fund to promote low-cost, secure, and trace-
17 able financial transfers by—

18 (A) providing technical support to remit-
19 tance providers described in subsection (a); and

20 (B) providing seed funding to persons
21 seeking to establish a remittance provider de-
22 scribed in subsection (a).

23 **SEC. 7. DEDUCTION FOR REMITTANCES USED FOR QUALI-**
24 **FIED PURPOSES.**

25 (a) IN GENERAL.—Part VII of subchapter B of chap-
26 ter 1 of subtitle A of the Internal Revenue Code of 1986

1 is amended by inserting after section 223 the following
 2 new section:

3 **“SEC. 223A. DEDUCTION FOR REMITTANCES USED FOR**
 4 **QUALIFIED PURPOSES.**

5 “(a) DEDUCTION ALLOWED.—In the case of an indi-
 6 vidual there shall be allowed as a deduction an amount
 7 equal to so much of the qualified remittance transfers
 8 made by the taxpayer to recipients residing in a covered
 9 country during the taxable year as do not exceed \$3,000.

10 “(b) QUALIFIED REMITTANCE TRANSFER.—For pur-
 11 poses of this section, the term ‘qualified remittance trans-
 12 fer’ means a remittance transfer which is used by the re-
 13 cipient for housing, agriculture, education, healthcare, or
 14 small enterprise support.

15 “(c) COVERED COUNTRY.—For purposes of this sec-
 16 tion, the term ‘covered country’ means a member state of
 17 the African Union or a member state of the Caribbean
 18 Community (CARICOM).

19 “(d) REGULATIONS.—The Secretary shall issue such
 20 regulations or other guidance as may be necessary or ap-
 21 propriate to carry out the purposes of this section.”.

22 (b) CLERICAL AMENDMENT.—The table of sections
 23 for part VII of subchapter B of chapter 1 of subtitle A
 24 of such Code is amended by inserting the following new
 25 item after the item relating to section 223:

“Sec. 223A. Deduction for remittances used for qualified purposes.”.

1 (c) EFFECTIVE DATE.—The amendments made by
 2 this section shall apply to remittances made after the date
 3 of the enactment of this Act.

4 **SEC. 8. EXCLUSION OF INCOME ATTRIBUTABLE TO CER-**
 5 **TIFIED DIASPORA INVESTMENTS.**

6 (a) IN GENERAL.—Chapter 1 of subtitle A of the In-
 7 ternal Revenue Code of 1986 is amended by adding at the
 8 end the following new subchapter:

9 **“Subchapter AA—Certified Diaspora**
 10 **Investments**

“Sec. 1400AA. Certified diaspora investments.

11 **“SEC. 1400AA. CERTIFIED DIASPORA INVESTMENTS.**

12 “(a) IN GENERAL.—In the case of a certified dias-
 13 pora investment—

14 “(1) gross income for the taxable year shall not
 15 include any dividend or interest payments received
 16 with respect to such investment, and

17 “(2) the basis of such property shall be equal
 18 to the fair market value of such investment on the
 19 date that the investment is sold or exchanged.

20 “(b) LIMITATION.—The sum of the amount of pay-
 21 ments taken into account under paragraph (1) of sub-
 22 section (a) and the amount of the increase in basis of as-
 23 sets of the taxpayer under paragraph (2) of such sub-
 24 section for any taxable year may not exceed \$12,000.

1 “(c) QUALIFIED DIASPORA INVESTMENT.—For pur-
2 poses of this section the term ‘qualified diaspora invest-
3 ment’ means any equity, debt, or blended capital invest-
4 ment in a company or project based in a covered country
5 (as defined in section 223A) and duly registered with such
6 country’s securities authority or channeled through a fund
7 recognized by a United States development finance institu-
8 tion.

9 “(d) INFLATION ADJUSTMENT.—

10 “(1) IN GENERAL.—In the case of any taxable
11 year beginning after 2025, the \$12,000 amount in
12 subsection (b) shall be increased by an amount equal
13 to—

14 “(A) such dollar amount, multiplied by

15 “(B) the cost-of-living adjustment deter-
16 mined under section 1(f)(3) for the calendar
17 year in which the taxable year begins, deter-
18 mined by substituting ‘calendar year 2024’ for
19 ‘calendar year 2016’ in subparagraph (A)(ii)
20 thereof.

21 “(2) ROUNDING.—If any increase under para-
22 graph (1) is not a multiple of \$100, such increase
23 shall be rounded to the nearest multiple of \$100.

1 “(e) REGULATIONS.—The Secretary shall issue such
2 regulations or other guidance as may be necessary or ap-
3 propriate to carry out the purposes of this section.”.

4 (b) CLERICAL AMENDMENT.—The table of sub-
5 chapters for chapter 1 of subtitle A of such Code is
6 amended by inserting after the item relating to subchapter
7 Z the following new item:

“Subchapter AA. Certified diaspora investments.”.

8 (c) EFFECTIVE DATE.—The amendments made by
9 this section shall apply to investments made after the date
10 of the enactment of this Act.

11 **SEC. 9. REPEAL OF REMITTANCE EXCISE TAX.**

12 (a) IN GENERAL.—Chapter 36 of the Internal Rev-
13 enue Code of 1986 is amended by repealing subchapter
14 C (and the table of subchapters for such chapter is amend-
15 ed by striking the item relating to such subchapter).

16 (b) EFFECTIVE DATE.—The amendments made by
17 this section shall apply to transfers made after December
18 31, 2025.

19 **SEC. 10. REPORT.**

20 (a) ANNUAL REPORT REQUIRED.—Not later than 1
21 year after the date of the enactment of this Act, and annu-
22 ally thereafter, the Secretary of the Treasury, acting
23 through the Director of the Consumer Financial Protec-
24 tion Bureau, the Board of Governors of the Federal Re-
25 serve, and the Secretary of State, in consultation with the

1 stakeholders described in subsection (b), shall submit to
2 the relevant congressional committees a report that ad-
3 dresses—

4 (1) progress toward and a strategy for encour-
5 aging remittance and reducing transaction costs;

6 (2) remittance cost trends and barriers;

7 (3) impact of United States tax policy on dias-
8 pora investments;

9 (4) institutional collaboration with African gov-
10 ernments, governments of Caribbean countries, and
11 diaspora-led ventures;

12 (5) uptake and effectiveness of financial instru-
13 ments created under this Act;

14 (6) challenges and obstacles associated with
15 achieving the aforementioned goals; and

16 (7) recommendations relating to programmatic
17 or appropriations measures that could potentially en-
18 hance the implementation of the strategy, including
19 legislative or executive policy changes for such en-
20 hanced implementation.

21 (b) CONSULTATIONS.—In developing the report re-
22 quired by this section, the Secretary of the Treasury and
23 the Secretary of State shall, as appropriate and prac-
24 ticable, consult with—

1 (1) stakeholders in the United States and in Af-
2 rica and Caribbean from the private sector, civil so-
3 ciety, and African diaspora;

4 (2) relevant agencies;

5 (3) State, local, and Tribal governments; and

6 (4) other relevant United States development
7 agencies and entities.

8 (c) FINAL REPORT.—Not later than 10 years after
9 the date of the submission of the initial report required
10 by subsection (a), the President shall submit to the appro-
11 priate congressional committees a report that assesses
12 progress over the preceding decade of the strategy. Such
13 report shall also include the following:

14 (1) An assessment of the progress made in the
15 implementation of the strategy over the preceding
16 decade with respect to each of the goals described in
17 subsection (a).

18 (2) An assessment of the successes, challenges,
19 and effectiveness of the strategy and its implementa-
20 tion.

21 (3) Recommended legislative or executive policy
22 changes relevant to addressing any gaps, policy or
23 program shortcomings, or other outstanding chal-
24 lenges relating to the goals of the strategy, along

1 with descriptions of prospective follow-up activities
2 necessary to address such challenges.

3 (4) Recommendations relating to programmatic
4 or appropriations measures that could potentially en-
5 hance the implementation of the strategy, including
6 legislative or executive policy changes for such en-
7 hanced implementation.

8 **SEC. 11. DEFINITIONS.**

9 In this Act:

10 (1) APPROPRIATE CONGRESSIONAL COMMIT-
11 TEES.—The term “appropriate congressional com-
12 mittees” means—

13 (A) the Committee on Foreign Affairs, the
14 Committee on Ways and Means, and the Com-
15 mittee on Financial Services of the House of
16 Representatives; and

17 (B) the Committee on Foreign Relations,
18 the Committee on Finance, and the Committee
19 on Banking, Housing, and Urban Affairs of the
20 Senate.

21 (2) AFRICA.—The term “Africa” means the 54
22 countries recognized by the African Union.

23 (3) AFRICAN DIASPORA.—The term “African
24 Diaspora” means individuals of African or Carib-
25 bean descent residing outside their countries of ori-

1 gin, including first-generation immigrants and de-
2 scendants.

3 (4) CARIBBEAN COUNTRIES.—The term “Carib-
4 bean countries” means the 15 countries of the Car-
5 ibbean Community (CARICOM).

6 (5) REMITTANCES.—The term “remittances”
7 means personal transfers made across borders for
8 family support or micro-investment, and does not in-
9 clude corporate or institutional capital flows.

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