

## BOARD OF ADVISORS

### Diego Arria

Director, Columbus Group

### Devry Boughner Vorwerk

Corporate VP, Global Corporate Affairs  
Cargill

### Joyce Chang

Global Head of Research,  
JPMorgan Chase & Co.

### Dirk Donath

Senior Partner,  
Catterton Aimara

### Marlene Fernández

Corporate Vice President for  
Government Relations,  
Arcos Dorados

### Peter Hakim

President Emeritus,  
Inter-American Dialogue

### Donna Hrinak

President, Boeing Latin America

### Jon Huenemann

Vice President, U.S. & Int'l Affairs,  
Philip Morris International

### James R. Jones

Chairman,  
Monarch Global Strategies

### Craig A. Kelly

Director, Americas International  
Gov't Relations, Exxon Mobil

### John Maisto

Director, U.S. Education  
Finance Group

### Nicolás Mariscal

Chairman,  
Grupo Marhnos

### Thomas F. McLarty III

Chairman,  
McLarty Associates

### Carl Meacham

Associate VP for Latin America  
Int'l Advocacy Division, PhRMA

### Carlos Paz-Soldan

Partner,  
DTB Associates, LLP

### Beatrice Rangel

Director,  
AMLA Consulting LLC

### Gustavo Roosen

Chairman of the Board,  
Envases Venezolanos

### Andrés Rozental

President, Rozental &  
Asociados and Senior  
Policy Advisor, Chatham House

### Roberto Sifon-Arevalo

Managing Director, Americas  
Sovereign & Public Finance Ratings,  
Standard & Poor's

## FEATURED Q&A

# Does Honduras' Cybersecurity Bill Go Too Far?



Honduran legislation introduced in February calls for websites to be blocked or suspended if they do not remove content deemed to be "illegal." // File Photo: Pixabay.

**Q Honduras' Congress has given preliminary approval to a "cybersecurity" bill that would require companies providing Internet services to block or remove "illegal content" posted by users within 24 hours, or in some cases seven days, of receiving a complaint. Failure to comply could result in web pages being suspended or blocked. Would the law benefit Hondurans, or will it result in infringements upon free speech, as its critics have argued? Does Honduras need tougher laws on cybersecurity, and, if so, what should such laws stipulate? Is the measure an undue burden on the companies behind websites?**

**A Maria Velez de Berliner, president of Latin Intelligence Corp.:** "Honduras is not alone in requiring 'cybersecurity' from owners of websites. Other countries are doing the same. The issue is not cybersecurity in Honduras, but rather who will enforce cyberlaws, and how. Given the fraud-tainted election of President Juan Orlando Hernández and Honduras' history of repression of political opposition and dissent, who will guard the cyberguards? If history holds, it is likely that Honduras' cyberlaws will be exercised against the opposing or dissenting citizenry and used to protect the government, its acolytes and the business and social groups that support it. What Honduras needs is an independent, neutral cyberenforcer who can protect the valid interests of the government, provided they are legal and not a camouflage of legality and self-survival to hit the opposition. Such an enforcer must also attend to the interests and needs of legal, responsible Internet users,

**Continued on page 2**

## TODAY'S NEWS

### ECONOMIC

## Trump Delays Tariffs on Mexico, Canada, E.U.

U.S. President Donald Trump delayed the imposition of tariffs on steel and aluminum from Mexico, Canada and the European Union for 30 days. At the same time, the White House announced details of exemptions with Brazil, Argentina and Australia would be finalized soon.

Page 2

### POLITICAL

## Dominican Republic Severs Ties With Taiwan

The Caribbean nation broke ties with Taiwan in favor of establishing them with China. Taiwan's government said it was "deeply upset" by the move.

Page 2

### POLITICAL

## Peru's Humala, Wife Released From Prison

A judge ruled that Humala and his wife could not continue to be held while prosecutors investigated them on allegations of accepting kickbacks.

Page 2



Humala // File Photo: Peruvian Government.

## ECONOMIC NEWS

## Trump Delays Tariffs on Mexico, Canada, E.U.

U.S. President Donald Trump on Monday postponed the imposition of tariffs of imported steel and aluminum from Mexico, Canada and the European Union, the White House announced, Reuters reported. The move was announced just hours before a previous measure exempting those countries was to expire today at 12:01 a.m. In addition, the White House said more details of tariff exemptions with Brazil, Argentina and Australia would be made final within 30 days, though it did not release terms of those agreements, The Washington Post reported. "The administration is also extending negotiations with Canada, Mexico, and the European Union for a final 30 days. In all of these negotiations, the administration is focused on quotas that will restrain imports, prevent transshipment, and protect the national security," the White House said, Reuters reported. The exemptions will not be extended past June 1, an unnamed source familiar with the decision told the wire service. In March, Trump put in

place tariffs of 25 percent on imported steel and 10 percent on imported aluminum, but allowed temporary exemptions for Mexico, Brazil, Argentina, Canada, Australia and the European Union. He also granted South Korea a permanent exemption. [Editor's note: See related [Q&A](#) in the March 12 issue of the Advisor.]

## POLITICAL NEWS

## Dominican Republic Severs Taiwan Ties in Order to Favor China

The Dominican Republic cut diplomatic ties with Taiwan and established them with China today during a visit by Dominican Foreign Minister Miguel Vargas to Beijing, the Associated Press reported. Vargas said his country is "[breaking] diplomatic relations with Taiwan, which is an inalienable part of China, and will not maintain any kind of official relations or contacts." The shift was the latest blow to Taiwan, which China claims as its territory but is run by an independent democratic government. Taiwanese officials blasted the move, accusing Beijing of offering the Dominican Republic

## NEWS BRIEFS

## Peru's Humala, Wife Released From Prison

Former Peruvian President Ollanta Humala and his wife, Nadine Heredia, were freed from prison on Monday, four days after a court ruled that they could not be detained while prosecutors investigated them, El Comercio reported. They had been imprisoned since July. Prosecutors allege that the two received kickbacks from Brazilian construction firm Odebrecht during Humala's 2011-2016 term in office. Humala has denied wrongdoing, saying the charges are politically motivated.

## Former Guatemalan President Arzú Dies of Heart Attack

Álvaro Arzú, 72, the former Guatemalan president who signed the peace accord that ended a bloody 36-year civil war, died last Friday of a heart attack while playing golf, the Associated Press reported. Last year, prosecutors accused Arzú of campaign finance violations involving the use of city funds, but he was immune from prosecution while holding elected office. At the time of his death, he was serving his fifth term as mayor of Guatemala City. One of Guatemala's most influential politicians, Arzú served as president from 1996 to 2000.

## Colombia Postpones Deadline for Offers in Oil Block Auction

Colombia on Monday postponed a deadline that had been set for this week to receive offers for 15 onshore areas in its auction at the Sinu-San Jacinto oil block, marking the sixth such postponement, Reuters reported, citing the country's National Hydrocarbons Agency. The regulator rescheduled the auction to the second half of the year. The agency said the six companies that had qualified to bid for 15 onshore areas in Colombia's north had requested the postponement.

## FEATURED Q&amp;A / Continued from page 1

and of society at large. No country can function today without cyberconnections. But the companies that provide interconnectivity must have a guaranteed environment that is free from criminal intervention by government-sponsored gangs or private individuals, and free from coercion to cooperate with the government against the citizenry in order to be granted or keep operating licenses. These companies must be able to operate in a free market of ideas. Honduras, with its historic illegality, corruption, collusion and repression of dissent, can hardly guarantee these freedoms under the 'cybersecurity' laws, which will place 'cybersecurity' in the hands of a government that can declare illegal any activity it deems so."

**A Ben Raderstorf, program associate in the Inter-American Dialogue's rule of law program:**

"This cybersecurity bill, as it is being debated, is extremely worrying and represents a clear violation of firmly established inter-American protections for the freedom of expression. Human rights organizations are understandably alarmed, and journalists and civil society organizations in Honduras rightly fear that this proposed law could be used as a tool for silencing criticism, dissent and fact-based reporting on corruption and other crimes by public officials. While aspects of this legislation mirror debates in every country—including the United States—about the intersection of

Continued on page 4

"vast financial incentives" in exchange for the diplomatic shift. Taiwan was "deeply upset" by the move, but would "not bow down to pressure from Beijing," said Foreign Minister Joseph Wu. Flavio Darío Espinal, an advisor to the Dominican government who first announced the change on Monday, said that "the growth potential of our commercial ties is immense" as a result of the move, The New York Times reported.

## BUSINESS NEWS

# Venezuela Halts Arbitration Payments to Gold Reserve

Canadian miner Gold Reserve said in a financial statement last week that Venezuela has stopped making payments on more than \$1 billion it owes the company under an arbitration settlement, the Financial Times reported Monday. The award, which stems from a 2010 expropriation of Gold Reserve's mining operations, had been paid in monthly installments that began last July. Gold Reserve reported that payments ended in November, following the cessation of payments to holders of Venezuela's sovereign bonds last September. Gold mining in Venezuela has become a dangerous business, as foreign companies have been forced out and illegal miners have taken over, often leading to in hazardous conditions for workers and severe environmental degradation. "It's completely haphazard, no companies are doing it, only wildcatters," Russ Dallen of Caracas Capital, a frequent critic of the administration of President Nicolás Maduro, told the Financial Times. In related news, Maduro issued an order Monday that brings the monthly wage to 1 million bolívares, the Associated Press reported. Despite the increase, Maduro's third this year, 1 million bolivars equates to only \$1.61 on the black market. The International Monetary Fund estimates that Venezuela's inflation rate, already the highest in the world, could soar to 13,000 percent by the end of this year.



# 2018

## The SWIFT Latin American Regional Conference

### SPEAKERS

**Diana Kelley**  
Cybersecurity Field Chief  
Technology Officer, Microsoft

**Steven Puig**  
CEO,  
Banco BHD Leon

**Nicolas Shea**  
Founder & Executive  
Chairman,  
Cumplo

**Marcela Zetina**  
Head of Open Innovation,  
BBVA Bancomer

**Ricardo Pacheco**  
Superintendent of Operations  
& Head of Payments,  
Itau

**Marisol Argueta de Barillas**  
Head of Regional Strategies  
in Latin America, World Economic Forum

**Jay Collins**  
Vice Chairman Corporate and  
Investment Banking, Citi

**Humberto Brid**  
Director of the Financial Analysis Unit (UAF) of Panama  
and President of GAFILAT

**Alejandro Berney**  
Executive Director & CEO,  
Caja de Valores

**Silvia Pavoni**  
Economics Editor,  
The Banker

To learn more about the conference  
and to register, click [here](#)

## FEATURED Q&amp;A / Continued from page 2

democracy and the Internet, the proposed mechanism represents such a gargantuan, even Orwellian, overreach that it should not be taken as a serious proposal. Moreover, the Honduran government has presented no convincing evidence of any specific problem that this measure pretends to solve. As

“The proposed mechanism represents such a gargantuan, even Orwellian, overreach that it should not be taken as a serious proposal.”

— Ben Raderstorf

such, the only conclusion is that this is not a ‘good faith’ effort to protect security or democracy. It is likely intended only to target political opposition, public criticism and the free press while protecting corrupt interests. Honduras—which is one of the most violent and corruption-plagued countries in the Americas—already has quasi-authoritarian limitations on journalists. For instance, a reporter in 2016 was convicted of criminal defamation for reporting on links between a police commander and organized crime. And the situation has only deteriorated since last year’s elections, when President Juan Orlando Hernández won re-election amid broad irregularities, violence and claims of fraud. The Trump administration, other gov-

ernments and the OAS should do everything they can to ensure this legislation is killed.”

**A**shley E. Friedman, senior director for global policy at the Information Technology Industry Council: “The Internet has served as a powerful engine for communication, growth, diversity, innovation and value creation around the world. Online services exist at the unique intersections of businesses, consumers, citizens, media outlets, civil society and governments, and they have successfully provided a space for the distribution of and access to information, business, economic growth and personal contact. A critical factor in enabling this success is a generally intelligent approach to intermediary liability, where governments have appropriately provided online platforms with sufficient assurances that they will not be responsible for content that is illegal or otherwise objectionable, provided they take prompt and reasonable steps to remove or disable access to such content after receiving notice. However, the 24-hour timeframe and severe sanctions proposed by the Honduran bill upend this balance and will likely fail to achieve its objectives. This could result in burdensome regulations that force smaller companies out of the market or discourage innovation.”

*The Advisor welcomes comments on its Q&A section. Readers can write editor Gene Kuleta at [gkuleta@thedialogue.org](mailto:gkuleta@thedialogue.org).*

## LATIN AMERICA ADVISOR

is published every business day by the Inter-American Dialogue, Copyright © 2018

**Erik Brand**

Publisher  
[ebrand@thedialogue.org](mailto:ebrand@thedialogue.org)

**Gene Kuleta**

Editor  
[gkuleta@thedialogue.org](mailto:gkuleta@thedialogue.org)



**Michael Shifter**, President  
**Genaro Arriagada**, Nonresident Senior Fellow  
**Sergio Bitar**, Nonresident Senior Fellow  
**Joan Caivano**, Director, Special Projects  
**Michael Camilleri**, Director, Peter D. Bell Rule of Law Program  
**Kevin Casas-Zamora**, Nonresident Senior Fellow  
**Ariel Fiszbein**, Director, Education Program  
**Alejandro Ganimian**, Nonresident Fellow  
**Peter Hakim**, President Emeritus  
**Claudio Loser**, Senior Fellow  
**Nora Lustig**, Nonresident Senior Fellow  
**Margaret Myers**, Director, China and Latin America Program  
**Manuel Orozco**, Director, Migration, Remittances & Development  
**Jeffrey Puryear**, Senior Fellow  
**Tamar Solnik**, Director, Finance & Administration  
**Lisa Viscidi**, Director, Energy Program  
**Denisse Yanovich**, Director of Development and External Relations

**Latin America Advisor** is published every business day, except for major U.S. holidays, by the Inter-American Dialogue at 1155 15th Street NW, Suite 800 Washington, DC 20005

[www.thedialogue.org](http://www.thedialogue.org)

ISSN 2163-7962

Subscription inquiries are welcomed at [freetrial@thedialogue.org](mailto:freetrial@thedialogue.org)

The opinions expressed by the members of the Board of Advisors and by guest commentators do not necessarily represent those of the publisher. The analysis is the sole view of each commentator and does not necessarily represent the views of their respective employers or firms. The information in this report has been obtained from reliable sources, but neither its accuracy and completeness, nor the opinions based thereon, are guaranteed. If you have any questions relating to the contents of this publication, contact the editorial offices of the Inter-American Dialogue. Contents of this report may not be reproduced, stored in a retrieval system, or transmitted without prior written permission from the publisher.

LATIN AMERICA ADVISOR

# Financial Services Advisor

The answers to questions that informed executives are asking.

SUBSCRIBE