

THE DIALOGUE

Financial Services Advisor

www.thedialogue.org

August 28-September 10, 2025

BOARD OF ADVISORS

Ernesto Armenteros
Vice Chairman of the Board,
Banco de Ahorro y Crédito Unión

Michael Diaz Jr.
Partner,
Diaz Reus

Desiree Green
Vice President,
International Government Affairs,
Prudential Financial

Earl Jarrett
Deputy Chairman & CEO,
The Jamaica National Group

Barbara Kotschwar
Professor of Political Economy,
Georgetown University

Manuel Orozco
Director,
Migration, Remittances & Development,
Inter-American Dialogue

Adalberto Palma Gómez
Senior Partner,
Aperture SC

Rodolfo Pittaluga
Adjunct Professor,
Florida International University
College of Law

Roberto Teixeira da Costa
Founder & Board Member Emeritus,
CEBRI

Mario Trujillo
CEO,
DolEx Dollar Express

FEATURED Q&A

What Does Crypto Adoption Mean for Venezuela?



Cryptocurrencies such as Bitcoin are a growing part of Venezuela's economy. // File Photo: Rudy via Adobe Stock.

Q Cryptocurrencies are becoming a significant part of Venezuela's economy amid a government crackdown on U.S. dollars traded on the black market and a plunge in the value of Venezuela's currency, the bolívar, the Financial Times reported Aug. 27. Last year, data consultancy firm Chainalysis ranked the South American nation 13th in the world in terms of cryptocurrency adoption. What are the main reasons behind Venezuelans' embrace of cryptocurrencies? How has rising cryptocurrency adoption affected Venezuela's economy? What does the growth in the use of cryptocurrency in Venezuela mean for the fight against financial crimes such as money laundering?

A Antulio Rosales, assistant professor in the Department of Social Science, Business and Society at York University: "Venezuelans have long been acquainted with the use of cryptocurrencies. In the early 2010s, when it was still relatively easy and inexpensive to mine Bitcoin from home with one or two ASIC terminals, cryptocurrency became an alternative for tech-savvy Venezuelans facing hyperinflation and currency controls. Venezuela's long-lasting rentier practices, together with an unprecedented economic crisis that shrank its gross domestic product by more than 80 percent in seven years, encouraged the emergence and spread of a cryptocurrency ecosystem. More recently, the Venezuelan government, facing sectoral sanctions from the United States, allowed the use of U.S. dollars for retail payments and savings. Nevertheless, this ad hoc dollarization coexists with international restrictions imposed on Venezuela. For this reason, from 2019

Continued on page 3

TOP NEWS

FINANCIAL SERVICES

Banco do Brasil Eyes Contingency Plans in Event of Sanctions

Brazilian state-controlled lender Banco do Brasil is reportedly considering contingency plans in the event that the U.S. Treasury imposes sanctions on its clients or the company itself.

Page 2

REMITTANCES

Western Union Incorporates WhatsApp in Peru

Western Union announced that it has partnered with WhatsApp in order to provide customers in Peru with a new way to transfer money.

Page 3

FINANCIAL SERVICES

Mexico's Stock Exchange Operator to List U.S. Options

Mexican stock exchange operator Grupo BMV, led by CEO Jorge Alegria, is planning to list options on high-profile U.S. companies, including Amazon and Apple.

Page 2



Alegria // File Photo: LinkedIn Profile of Jorge Alegria.

FINANCIAL SERVICES NEWS

Banco do Brasil Eyes Contingency Plans in Event of Sanctions

Brazilian state-controlled lender Banco do Brasil is considering contingency plans in the event that the U.S. Treasury imposes additional financial sanctions on its clients or the company itself, Bloomberg News reported Sept. 4, citing unnamed sources familiar with internal discussions at the bank. Among Banco do Brasil's clients is Brazilian supreme court Justice Alexandre de Moraes, who is overseeing the trial of former President Jair Bolsonaro, for which he has incurred the ire of U.S. President Donald Trump, a Bolsonaro ally. In late July, the Trump administration imposed financial sanctions on De Moraes, prohibiting him from accessing assets or property in the United States and from transacting in U.S. dollars, Bloomberg News reported. Banco do Brasil has been consulting with U.S. law firms and the Brazilian government is in discussions with consultants and policy experts in order to determine how U.S. authorities are verifying information it is receiving about the financial system in Brazil, the news service reported. Banco do Brasil officials are also looking at how to divert some transactions that are denominated in dollars from offices in the United States to other locations overseas, Bloomberg News reported. The bank has offices in New York and Miami, as well as 50,000 customers overseas. The bank has an "absolute commitment to compliance with Brazilian and international laws to which it is subject," Banco do Brasil said in a statement, the news service reported. "Operations always take place within the legal, regulatory, and ethical framework, ensuring that institutional actions strictly comply with the regulations in force in Brazil and in the countries where it has operated for over 80 years," it added. The U.S. Treasury has also sought information from Brazilian banks about actions they are taking under the Magnitsky Act, which the Trump administration used to impose sanctions on De Moraes, Reuters reported Sept. 3. Banco do

Brasil, Bradesco, Itaú, Santander and BTG all received the Treasury notice, an unnamed source familiar with the matter told Reuters.

Greenberg Traurig Taps Squires for Latin America Role

Global law firm Greenberg Traurig announced Sept. 8 that it has hired Matt Squires, formerly of Wilson Sonsini Goodrich & Rosati, for its Latin America practice. Squires has played a role in transactions across several industries, including financial services, financial technology, artificial intelligence and property tech, Greenberg Traurig said in a statement. Squires will be based in the firm's Salt Lake City office and has more than two decades of experience, the firm said. He has represented clients in connection with more than \$30 billion in cross-border transactions and has experience in countries including Brazil, Mexico, Colombia and Chile, Greenberg Traurig said. Among his clients, Squires previously represented Brazilian real estate platform QuintoAndar in its acquisition of Buenos Aires-based Navent Group. In the transaction, Greenberg Traurig represented Navent. Greenberg Traurig's office in Salt Lake City opened in 2020 and has nearly 30 attorneys across approximately 15 areas of practice, the firm said. The law firm's Latin America practice includes more than 120 lawyers in offices in the United States, Brazil and Mexico.

BNP Paribas, BBVA, Citi Managing Colombia Bond Sale

BNP Paribas, BBVA and Citigroup are jointly managing the Colombian government's first planned sale of euro-denominated bonds since 2016, Bloomberg News reported Sept. 8. The sale comes as President Gustavo Petro's government is seeking to diversify its debt as it faces growing fiscal imbalances, the news service reported. In the sale, the government plans

NEWS BRIEFS

Accion Closes \$61.6 Mn Fund for Investment in Fintech Start-ups

U.S.-based impact investor group Accion announced Sept. 8 that it has closed a \$61.6 million fund that will make investments in early-stage financial technology companies that seek to meet the needs of people who are financially underserved. Accion's fintech strategy, known as Accion Ventures, supports investments in Latin America, Africa, South and Southeast Asia and the United States, the Washington-based group said in a statement. The fund closed with commitments from new and existing investors, including asset managers and development finance institutions.

Mexico's Stock Exchange Operator Plans to List Options on U.S. Firms

Grupo BMV, Mexico's leading stock exchange operator, soon plans to list options on high-profile U.S. companies including Amazon and Apple, Grupo BMV's CEO, Jorge Alegría, told Reuters in an interview published Sept. 4. Mexico's main stock market will offer exchange-traded equity options that will be denominated in pesos, complementing existing cash trading activities, said Alegría. "We are putting money into technology to allow a more active options market for equities in Mexico," he told the wire service.

CFI Financial Group Gets Approval for Office in Colombia

Dubai-based online brokerage CFI Financial Group has received authorization from the Financial Superintendency of Colombia to establish a representative office in the South American country, the company said Aug. 28 in a statement. The office will focus on market awareness and promotional efforts, CFI said.

to issue bonds due in 2028, 2032 and 2036, Bloomberg News reported, citing preliminary prospectuses and filings. Colombia's finance ministry has started meeting with investors under a deal roadshow structure, which will obligate Colombia to follow through with a bond offering, the news service reported. Returning to the euro market "is not only cost effective but also allows us to broaden our investor base," said Colombia's director of public credit, Javier Cuellar, said in an interview, Bloomberg News reported. Cuellar added that the proceeds will help the government to recover cash that it used for an earlier repurchase of dollar-denominated bonds. The bond sale will also help contribute to the federal budget for 2025, he said. In addition to moving away from debt denominated in dollars, Colombia's finance ministry is planning to secure as much as \$12.6 billion worth of loans in Swiss francs, Bloomberg News reported. Colombian officials have also increased repurchases of local debt and dollar-denominated debt as part of their efforts. In a tender offer in the first week of September, global banks bought back \$5.4 billion in Colombian dollar notes. Petro's government recently introduced legislation for a new tax reform that would help cover a \$6.3 billion shortfall in its 2026 budget, UPI reported. The measure that the Petro administration submitted to Congress is its third proposed tax reform and is intended to secure \$139 billion in revenue.

REMITTANCES NEWS

Western Union Incorporates WhatsApp in Peru

Western Union announced Aug. 27 that it has partnered with WhatsApp in order to provide customers in Peru with a new way to transfer money. Customers will be able to use WhatsApp Business to transfer money by sending a message to a designated number and filling out a form in order to complete the transaction, Western Union said.

FEATURED Q&A / Continued from page 1

onward, the Venezuelan government created a regulatory framework and a welcoming environment for the crypto ecosystem with the launching of a superintendency of digital assets and a registry of miners. In recent months, the authoritarian government of Nicolás Maduro has cracked down on the markers of the parallel exchange rate to the U.S. dollar and has restricted the business sector's and individuals' legal access to dollars. These increasing restrictions have once again created incentives for Venezuelans to use cryptocurrency exchanges to try to access U.S. dollars. The uptake of USDT, Tether and other stablecoins is notable in this case. However, stablecoins and other cryptocurrencies are also used by government officials and institutions to settle transborder transactions that are normally barred due to sanctions. Government controls and international sanctions account for the main incentives for Venezuelans to engage with cryptocurrencies. In addition, these domestic and international restrictions contribute to informalization of markets and exchanges as well as the flourishing of illegal activities. Cryptocurrencies can be a formidable medium for these activities."

A Peter Howson, assistant professor in the Department of Geography and Environmental Sciences at Northumbria University: "For day-to-day transactions, using crypto has few upsides. Bitcoin payments are expensive; transaction fees are about \$4 to \$5 usually, but sometimes much more. Unlike cash or credit cards, crypto is far from instantaneous. Most payments take several hours to complete—if they complete at all—and users are liable for the fees whether the transaction is completed or not. Venezuelans are unlikely to be using Bitcoin for everyday things. Our research has found that cryptocurrencies are emerging in Venezuela out of makeshift opportunities for survival, as a tool for making quick profits for elites and for enhancing financial

connections severed by sanctions and other obstacles. Bitcoin is popular in Venezuela because 'mining' it is such an energy-hungry process. And with the price of Bitcoin climbing past \$100,000 per coin, there's a massive financial incentive to burn through as much energy as possible. Subsidized electricity in Venezuela is very attractive to Bitcoiners flocking to the oil-rich country from across the region. Cybercrime, terrorism, sanctions evasion and climate change would be much easier to fix without crypto. Yet, our research also suggests that to keep crypto's most negative aspects under control, cracking down on crypto exchanges or banning the import and use of mining equipment in Venezuela might seem a relatively easy win. But to ensure localized bans don't simply move the problem around, a coordinated international approach will be required."

A Manuel Sutherland, professor at the Center for Development Studies at the Central University of Venezuela: "Since 2003, Venezuela has been under the stranglehold of fierce exchange controls, making international trade and the buying and selling of foreign currency very complicated. In subsequent years, exchange controls became more radical and attacked the stock market with stifling regulations that left the stock market, an ideal market for foreign currency trading, a mere memory. The imposition of severe sanctions on the economy starting in 2017, which coincided with historic hyperinflation, destroyed the bolívar as a store of value and left the country in extreme difficulty in undertaking even the simplest commercial activities. Transferring foreign currency into the country was almost impossible, as was making international payments from Venezuela. In this context, cryptocurrencies such as Bitcoin and stablecoins pegged to the U.S. dollar have served as an economic haven to preserve value and protect against the constant devaluation of the national currency. According to various estimates,

Continued on page 6

ECONOMIC NEWS

Argentine Markets Plunge After Milei's Party Routed in Vote

Argentina's peso, along with the country's stock index and bonds, plunged on Sept. 8, a day after President Javier Milei's La Libertad Avanza party suffered a punishing defeat in local elections in Buenos Aires province, Bloomberg News reported. The peso lost as much as 7 percent against the U.S. dollar, though it pared some of those losses; the Merval stock index lost more than 12 percent of its value; and the government's dollar-denominated bonds slid



Milei // File Photo: @OPRArgentina via X.

5.3 cents on the dollar to 56 cents in the afternoon of Sept. 8, Bloomberg News reported. Buenos Aires province is a stronghold for the Peronist Fuerza Patria opposition coalition, but the ruling party's steep 13-point loss to the opposition in the Sept. 7 vote was unexpected and raises investors' concerns about Milei's ability to continue implementing his economic reforms, Reuters reported. Experts view the provincial election as a bellwether ahead of the country's midterm legislative elections on Oct. 26. [Editor's note: See related [Q&A](#) in the Sept. 4 issue of the daily Latin America Advisor.]

Mexico Considers New Tariffs on Imports: Sheinbaum

Mexico's government is considering new tariffs on imports from countries including

ADVISOR Q&A

Will Mercosur & Canada Be Able to Reach a Trade Deal?

Q Canada is set to resume talks in October on a free trade agreement with South American trading bloc Mercosur, Canadian and Brazilian officials announced in a joint statement on Aug. 25. Previous talks had stalled in 2021 on an agreement between Canada and Mercosur, which also includes Argentina, Paraguay and Uruguay as full members. What impact would a free trade agreement between Canada and Mercosur have on the economies of all countries involved? What obstacles stand in the way of an agreement being reached? What would be the significance of the deal in the context of ongoing global trade tensions?

A Regiane Nitsch Bressan, associate professor of international relations at the Federal University of São Paulo: "A free trade agreement between Canada and Mercosur would bring significant benefits to both parties. For Mercosur, a partnership with Canada would diversify exports, reducing dependence on major markets like the United States and China, which are at the center of the current trade dispute. This is especially important for the agribusiness sector, which has been heavily affected by barriers and tariffs. Therefore, entering a stable consumer market like Canada's, known for its high per-capita income, would be a great advance

for Brazil and its partners. Additionally, the agreement could facilitate the import of high-value-added technologies and products from Canada into Mercosur, contributing to the modernization of industrial sectors. Canada would gain privileged access to Mercosur markets, a bloc with more than 260 million consumers, at a time when the agreement between Mercosur and the European Union has yet to be ratified. Despite the benefits, challenges must be overcome—the negotiations that stalled in 2021 highlight such difficulties. One of the main obstacles lies in the different approaches regarding issues such as agriculture, subsidies and non-tariff barriers. Canada has policies to protect its dairy and poultry industries, which could cause friction with Mercosur producers. There is also a need to harmonize regulations and technical standards. In summary, a free trade agreement would offer a counterbalance to protectionist policies like tariffs and strengthen the South American bloc's position in global trade, demonstrating its ability to form strategic alliances."

EDITOR'S NOTE: More commentary on this topic appears in the Sept. 8 issue of the daily Latin America Advisor.

China that do not have trade agreements with Mexico, President Claudia Sheinbaum said Sept. 4, Reuters reported. The levies would be included in "Plan Mexico," a program to bolster industry in Mexico amid U.S. tariffs on some Mexican imports, the wire service reported. "We are considering tariffs as part of Plan Mexico, which we've proposed since we came into office," Sheinbaum said in her daily news

conference, Bloomberg News reported. She did not say which sectors would be affected. Sheinbaum's government plans to increase tariffs on imports from some Asian countries including China as part of its 2026 budget, Bloomberg News reported last week. When asked about the possible new tariffs, Chinese Foreign Ministry spokesman Guo Jiakun told Bloomberg News that bilateral "economic and

NEWS BRIEFS

At Least 10 Killed After Train Crashes Into Bus in Central Mexico

At least 10 people were killed and 61 others were injured in central Mexico on Sept. 8 when a freight train crashed into a double-decker bus that was stuck in traffic, The New York Times reported. The crash took place in the town of Atlacomulco in the state of Mexico. No warning signals or track crossing gates were visible before the collision, The New York Times reported, citing social media videos.

Guyana's Ali Sworn in for Second Term

Guyanese President Irfaan Ali was sworn in for a second five-year term on Sept. 7, one day after Guyana's electoral commission certified his victory in the Sept. 1 general election, the Associated Press reported. Ali's People's Progressive Party/Civic won 36 of 65 seats in the unicameral National Assembly—20 more seats than the top opposition party—according to a statement from the Guyana Elections Commission. Ali, 45, said in a speech Sunday that he aims to continue social assistance programs funded by Guyana's rapidly growing oil and gas sector, the AP reported.

Tens of Thousands of Bolsonaro Supporters Take to Streets in Protest

Tens of thousands of supporters of former Brazilian President Jair Bolsonaro staged demonstrations across the country on Sept. 7 in protest of his ongoing criminal trial for his alleged role in a coup plot, the Associated Press reported. At least 40,000 people took to the streets of São Paulo showing support for Bolsonaro on Sept. 7, which was also Brazil's national independence day, according to the wire service. Multiple counterprotests in support of the proceedings against Bolsonaro also took place in major cities on Sept. 7.

trade cooperation is mutually beneficial and its fruits benefit the two peoples," Bloomberg News reported.

POLITICAL NEWS

Mexican Authorities Arrest 14 in Illegal Fuel Shipment Case

Mexican authorities arrested 14 public officials and business leaders last week in connection with an illegal fuel shipment that was seized earlier this year, Federal Security Secretary Omar García Harfuch announced Sept. 6, the Associated Press reported. Among the 14 people detained were Vice Admiral Manuel Roberto Farías Laguna, who is a relative of a former navy secretary, an unnamed federal agent told the AP on Sept. 6. The arrests were made after a five-month investigation into a March 31 incident in which authorities intercepted an unauthorized vessel carrying 2.6 million gallons of refined fuels in the port of Tampico on Mexico's Gulf Coast. Tampico is the location of state-run Pemex's Madero oil refinery. "The actions of a handful of isolated people doesn't mean they're acting in the name of a respectable institution," García Harfuch said at a press conference on Sept. 7, the AP reported. Fuel theft has cost nearly \$1 billion per year since 2020, according to the wire service. The U.S. Drug Enforcement Administration alleges Mexico's leading drug cartels benefit from coordinated protection from private firms and public security services in various fuel theft schemes that help finance other illicit operations, the AP reported.

U.S. Designates Two Ecuadorean Gangs as Terrorist Groups

The U.S. government has designated two Ecuadorean gangs—Los Lobos and Los Choneros—as foreign terrorist organizations, Secretary of State Marco Rubio announced Sept. 4 in

Quito where he also met with President Daniel Noboa, the Associated Press reported. Rubio's trip to Ecuador followed a U.S. military strike on a speedboat in the southern Caribbean that President Donald Trump announced on Sept. 2. Trump said the strike killed 11 people who were members of the Venezuelan Tren de Aragua gang and that the boat was loaded with illegal drugs. "This time, we're not just going to hunt for drug dealers in the little fast boats and say, 'Let's try to arrest them,'" Rubio told reporters in Quito, the AP reported. "No, the president has said he wants to wage war on these groups because they've been waging war on us for 30 years and no one has responded," he added. Late on Sept. 4, the U.S. Defense Department announced that two Venezuelan military aircraft had flown close to a U.S. Navy vessel that was in international waters, calling the incident "a highly provocative move" and warning Venezuela's government against taking any similar actions, the wire service reported. Also on Sept. 4, Rubio announced that the United States would provide Ecuador nearly \$20 million in new security funding, which he said would include more than \$13 million for general security needs as well as \$6 million for drones for Ecuador's Navy, Reuters reported.

Forty-Five Soldiers Released After Being Seized in Colombia

Forty-five soldiers have been released after they were surrounded and detained by hundreds of local residents in southwestern Colombia, military officials said Sept. 8, Reuters reported. The air force retrieved the soldiers "without incident," a division of the country's army said in a statement posted on social media site X. On Sept. 7, Defense Minister Pedro Sánchez said about 600 people in El Tambo, in Cauca department, had been holding the soldiers. The soldiers were on an anti-drug mission when they were seized, the Associated Press reported. In a similar incident in August, residents held 33 soldiers captive in Guaviare department for four days before releasing them.

FEATURED Q&A / Continued from page 3

Venezuela’s rate of inflation this year is projected to reach around 314 percent, or about 10 percent month-on-month, keeping cryptocurrencies an attractive alternative for savings and transactions seeking to escape the loss of purchasing power. It is estimated that by this year, nearly 75 percent of international payment transfers associated with companies in Venezuela will have used cryptocurrencies, demonstrating their global penetration in commerce and the real economy. State-owned companies, such as PDVSA, have begun incorporating cryptocurrency payments since 2023. In international contracts, PDVSA has accepted stablecoins such as USDT to facilitate payments, thus circumventing the restrictions that block its transactions. It is estimated that more than 40 percent of purchase and sale transactions in unofficial markets are carried out with crypto assets, especially currency hedging transactions to preserve some value in the bolívars.”

A **Mijail Popov, analyst specialist in crypto assets at Americas Market Intelligence:** “Venezuela has become one of the clearest global examples of how cryptocurrencies can fill critical gaps in economies under severe stress. With strict capital controls, chronic inflation, and a bolívar that has lost more than 70 percent of its value this year,

stablecoins such as USDT have emerged as a lifeline, helping households protect savings and maintain purchasing power while also reshaping broader economic dynamics. They now serve as an alternative channel for remittances and foreign exchange, provide

“Venezuela has become one of the clearest global examples of how cryptocurrencies can fill critical gaps in economies under severe stress.”

– Mijail Popov

predictable value compared to the collapsing local currency and allow businesses to secure hard currency at a time when dollar liquidity is scarce—vital for imports and paying suppliers. As the macroeconomic crisis continues to deepen, the reach of cryptocurrencies across Venezuela’s economy is expanding rapidly, making their role increasingly unavoidable.”

The Advisor welcomes comments on its Q&A section. Readers can write editor Gene Kuleta.

FINANCIAL SERVICES ADVISOR

is published biweekly by the Inter-American Dialogue ISSN 2163-7962

Gene Kuleta
Editor

Jack Quinn
Reporter



Rebecca Bill Chavez, Ph.D., President & CEO

Lila Abed, Director, Mexico Program

Alfonso Blanco, Director, Energy Transition & Climate Program

Margaret Myers, Senior Advisor, Asia & Latin America Program

Manuel Orozco, Director, Migration, Remittances and Development Program

Bruna Santos, Director, Mexico Program

Peter Hakim, President Emeritus

Financial Services Advisor is published biweekly, with the exception of major holidays, by the Inter-American Dialogue at 1155 15th Street NW, Suite 800 Washington, DC 20005

www.thedialogue.org

The opinions expressed by the members of the Board of Advisors and by guest commentators do not necessarily represent those of the Inter-American Dialogue. 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 Inter-American Dialogue.

SPONSORSHIPS AVAILABLE

10TH LEADERSHIP FOR THE AMERICAS AWARDS GALA

INTER-AMERICAN DIALOGUE

Financial Services
Advisor

Click here
to subscribe