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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

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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.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "African Diaspora Investment and Development Act" or the "AIDA".

SEC. 2. FINDINGS.

Congress finds the following:

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

(2) Many members of these and other diaspora and immigrant populations annually transmit to their countries of origin or descent portions of their incomes or other earnings—transfers known as remittances—that in the aggregate often are large and significantly contribute to economic growth, development, and human welfare in recipient countries.

(3) Remittances to Africa were estimated at over $91,000,000,000 in 2023—transfers which sustain families, fund education and healthcare, finance small businesses, and fill gaps in national infrastructure.

(4) An estimated $19,499,000,000 was remitted to the Caribbean in 2023, with those countries receiving billions in essential family and community support.

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

(6) If the global average cost of remittances is reduced to the Sustainable Development Goal target of 3 percent, developing countries could save between $5,000,000,000 and $32,000,000,000 annually and redirect such resources to international economic growth and development investment.

(7) The global remittance market was valued at $784,250,000,000 in 2022 and is projected to reach $1,330,000,000,000 by 2032, creating significant employment and economic activity across the financial services industry.

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

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

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

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

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

SEC. 3. STATEMENT OF POLICY.

It is the policy of the United States to—

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

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

people ties, and various diasporas' expanding contribution to socioeconomic development;

(3) endeavor to reduce the cost of sending remittances including through policies aimed at increasing competition within the international financial transfers sub-sector and reducing related taxes or other administrative costs and maximize their potential to foster inclusive economic growth;

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

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

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

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

SEC. 4. SUPPORT FOR DIASPORA INVESTMENTS FROM THE UNITED STATES INTERNATIONAL DEVELOPMENT FINANCE CORPORATION.

(a) IN GENERAL.—The Chief Executive Officer of the United States International Development Finance Corporation shall carry out a program to support, in the form of matching up to $5,000 (adjusted for inflation) in funds per taxpayer, investments that the Chief Executive Officer, in coordination with the Secretary of the Treasury, determines are investments by the African diaspora or investments in Caribbean countries that meet measurable development goals in health, education, agriculture, clean energy, or youth employment in Africa or the Caribbean countries, respectively.

(b) INVESTMENTS BY THE AFRICAN DIASPORA IN CERTAIN ISSUERS.—The Securities and Exchange Commission shall issue rules to treat a member of the African Diaspora who is not an accredited investor as an accredited investor for purposes of the securities laws with respect to securities offered or sold by an issuer, if—

(1) the United States International Development Finance Corporation or another qualified development finance institution holds an investment in the issuer, as determined by the Commission;

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

curities is purchase by members of the African Diaspora in reliance on this subsection; and

(3) the issuer discloses to the public the amount of securities, in the aggregate, purchased by members of the African Diaspora in reliance on this subsection.

(c) SPECIAL WINDOW FOR DIASPORA-LED INVESTMENT.—In addition to the program described in subsection (a), the Chief Executive Officer of the United States International Development Finance Corporation shall, using applicable authorities provided by the BUILD Act of 2018 (22 U.S.C. 9601 et seq.), establish a special window to provide support to diaspora-led investment funds, social enterprises, and infrastructure projects in African and Caribbean countries.

SEC. 5. DIASPORA INFRASTRUCTURE BOND FRAMEWORK.

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

SEC. 6. MARKET EXPANSION FOR REMITTANCE PROVIDERS.

(a) REMOVING REGULATORY BARRIERS.—The Secretary of the Treasury shall issue rules to remove undue regulatory barriers applicable to remittance providers that—

(1) are owned by members of the African Diaspora; and

(2) are fintech-driven.

(b) REMITTANCE INNOVATION FUND.—

(1) ESTABLISHMENT.—There is established in the Treasury a fund to be known as the ''Remittance Innovation Fund''.

(2) USE OF FUND.—The Secretary of the Treasury shall use amounts in the Remittance Innovation Fund to promote low-cost, secure, and traceable financial transfers by—

(A) providing technical support to remittance providers described in subsection (a); and

(B) providing seed funding to persons seeking to establish a remittance provider described in subsection (a).

SEC. 7. DEDUCTION FOR REMITTANCES USED FOR QUALIFIED PURPOSES.

(a) IN GENERAL.—Part VII of subchapter B of chapter 1 of subtitle A of the Internal Revenue Code of 1986 is amended by inserting after section 223 the following new section:

"SEC. 223A. DEDUCTION FOR REMITTANCES USED FOR QUALIFIED PURPOSES.

"(a) DEDUCTION ALLOWED.—In the case of an individual there shall be allowed as a deduction an amount equal to so much of the qualified remittance transfers made by the taxpayer to recipients residing in a covered country during the taxable year as do not exceed $3,000.

"(b) QUALIFIED REMITTANCE TRANSFER.—For purposes of this section, the term 'qualified remittance transfer' means a remittance transfer which is used by the recipient for housing, agriculture, education, healthcare, or small enterprise support.

"(c) COVERED COUNTRY.—For purposes of this section, the term 'covered country' means a member state of the African Union or a member state of the Caribbean Community (CARICOM).

"(d) REGULATIONS.—The Secretary shall issue such regulations or other guidance as may be necessary or appropriate to carry out the purposes of this section.".

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

"Sec. 223A. Deduction for remittances used for qualified purposes.".

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

SEC. 8. EXCLUSION OF INCOME ATTRIBUTABLE TO CERTIFIED DIASPORA INVESTMENTS.

(a) IN GENERAL.—Chapter 1 of subtitle A of the Internal Revenue Code of 1986 is amended by adding at the end the following new subchapter:

"Subchapter AA—Certified Diaspora Investments

"SEC. 1400AA. CERTIFIED DIASPORA INVESTMENTS.

"(a) IN GENERAL.—In the case of a certified diaspora investment—

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

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

"(b) LIMITATION.—The sum of the amount of payments taken into account under paragraph (1) of subsection (a) and the amount of the increase in basis of assets of the taxpayer under paragraph (2) of such subsection for any taxable year may not exceed $12,000.

"(c) QUALIFIED DIASPORA INVESTMENT.—For purposes of this section the term 'qualified diaspora investment' means any equity, debt, or blended capital investment in a company or project based in a covered country (as defined in section 223A) and duly registered with such country's securities authority or channeled through a fund recognized by a United States development finance institution.

"(d) INFLATION ADJUSTMENT.—

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

"(A) such dollar amount, multiplied by

"(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2024' for 'calendar year 2016' in subparagraph (A)(ii) thereof.

"(2) ROUNDING.—If any increase under paragraph (1) is not a multiple of $100, such increase shall be rounded to the nearest multiple of $100.

"(e) REGULATIONS.—The Secretary shall issue such regulations or other guidance as may be necessary or appropriate to carry out the purposes of this section.".

(b) CLERICAL AMENDMENT.—The table of subchapters for chapter 1 of subtitle A of such Code is amended by inserting after the item relating to subchapter Z the following new item:

"Subchapter AA. Certified diaspora investments.".

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

SEC. 9. REPEAL OF REMITTANCE EXCISE TAX.

(a) IN GENERAL.—Chapter 36 of the Internal Revenue Code of 1986 is amended by repealing subchapter C (and the table of subchapters for such chapter is amended by striking the item relating to such subchapter).

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

SEC. 10. REPORT.

(a) ANNUAL REPORT REQUIRED.—Not later than 1 year after the date of the enactment of this Act, and annually thereafter, the Secretary of the Treasury, acting through the Director of the Consumer Financial Protection Bureau, the Board of Governors of the Federal Reserve, and the Secretary of State, in consultation with the stakeholders described in subsection (b), shall submit to the relevant congressional committees a report that addresses—

(1) progress toward and a strategy for encouraging remittance and reducing transaction costs;

(2) remittance cost trends and barriers;

(3) impact of United States tax policy on diaspora investments;

(4) institutional collaboration with African governments, governments of Caribbean countries, and diaspora-led ventures;

(5) uptake and effectiveness of financial instruments created under this Act;

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

(7) recommendations relating to programmatic or appropriations measures that could potentially enhance the implementation of the strategy, including legislative or executive policy changes for such enhanced implementation.

(b) CONSULTATIONS.—In developing the report required by this section, the Secretary of the Treasury and the Secretary of State shall, as appropriate and practicable, consult with—

(1) stakeholders in the United States and in Africa and Caribbean from the private sector, civil society, and African diaspora;

(2) relevant agencies;

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

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

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

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

(2) An assessment of the successes, challenges, and effectiveness of the strategy and its implementation.

(3) Recommended legislative or executive policy changes relevant to addressing any gaps, policy or program shortcomings, or other outstanding challenges relating to the goals of the strategy, along

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

(4) Recommendations relating to programmatic or appropriations measures that could potentially enhance the implementation of the strategy, including legislative or executive policy changes for such enhanced implementation.

SEC. 11. DEFINITIONS.

In this Act:

(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term ‘‘appropriate congressional committees’’ means—

(A) the Committee on Foreign Affairs, the Committee on Ways and Means, and the Committee on Financial Services of the House of Representatives; and

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

(2) AFRICA.—The term ‘‘Africa’’ means the 54 countries recognized by the African Union.

(3) AFRICAN DIASPORA.—The term ‘‘African Diaspora’’ means individuals of African or Caribbean descent residing outside their countries of ori-

gin, including first-generation immigrants and descendants.

(4) CARIBBEAN COUNTRIES.—The term ''Caribbean countries'' means the 15 countries of the Caribbean Community (CARICOM).

(5) REMITTANCES.—The term ''remittances'' means personal transfers made across borders for family support or micro-investment, and does not include corporate or institutional capital flows.

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