

September 27, 2023

The Honorable Sherrod Brown
Chairman, Senate Committee on
Banking, Housing, and Urban Affairs
U.S. Senate
Washington, DC 20510

The Honorable Tim Scott
Ranking Member, Senate Committee on
Banking, Housing, and Urban Affairs
U.S. Senate
Washington, DC 20510

Dear Chairman Brown and Ranking Member Scott:

On behalf of the Electronic Transactions Association (ETA), I am writing to express our support for the *Secure and Fair Enforcement Regulation (SAFER) Banking Act of 2023* which is being considered by the Committee during the September 27, 2023, markup. A bill to create protections for financial institutions that provide financial services to State-sanctioned cannabis businesses and service providers for such businesses.

We commend your leadership in addressing the conflict between federal and state laws to enable states that have legalized medical or recreational use of cannabis to bring that commerce into the payments ecosystem. ETA takes no stance on the legalization or decriminalizing of cannabis at the state or federal level. However, we support the passage of legislation that would resolve the conflict between state and federal laws to allow payment companies to serve cannabis businesses and the ancillary businesses that are relied upon to operate in states where those businesses are legal under state law.

ETA is the world's leading advocacy and trade association for the payments industry. Our membership includes a diverse group of payments and fintech companies, ranging from established players to emerging disruptors in the U.S and over a dozen countries worldwide. ETA members process roughly \$44 trillion in annual purchases globally and are committed to enabling commerce by delivering innovative payment solutions to merchants and consumers.

At present, forty-seven states, four U.S. territories, and the District of Columbia have legalized some form of recreational or medical cannabis, including CBD. However, current law restricts licensed cannabis and cannabis related businesses, including vendors, security firms, and owners, from accessing the payments ecosystem, resulting in these businesses operating in an all-cash environment, which poses significant public safety risks for communities.

The conflict between state and federal laws has forced cannabis and cannabis-related businesses to operate on a cash-only basis, which has created significant legal and compliance challenges for payment companies that wish to provide services to these businesses in states where it is currently legal. The SAFER Banking Act would allow legitimate cannabis businesses to access the safety and security of the payments ecosystem in states that have legalized cannabis. Providing a mechanism for the cannabis industry to access the payments system would help those communities reduce cash-motivated crimes, increase the efficiency of tax collections, and improve the financial transparency of the cannabis industry – opportunities that are not available in a cash-only environment. We would ask the Committee to ensure that key players in the payments ecosystem are not unintendedly kept out of the bill that is headed to mark-up.



ETA is pleased to support the SAFER Banking Act and urges the Senate Banking Committee to vote favorably on this important issue. If you have any questions, please contact me or ETA's Executive Vice President, Scott Talbott at stalbott@electran.org.

Sincerely,



Jeff Patchen
Director of Government Affairs
Electronic Transactions Association

