



# 2026 GLOBAL CONFERENCE

## LEADING IN A NEW ERA



# EXPANDING ECONOMIC OPPORTUNITY FOR ALL: A CONVERSATION WITH US SENATE BANKING COMMITTEE CHAIRMAN TIM SCOTT

**Announcer** 01:07

Please welcome US Senate Banking Committee Chairman Tim Scott and Fox Business Network Senior Correspondent Charles Gasparino.

**Tim Scott** 01:22

Morning, Charles.

**Charles Gasparino** 01:24

Thank you for joining us.

**Tim Scott** 01:25

Absolutely.

**Charles Gasparino** 01:26

Really appreciate it.

**Tim Scott** 01:27

Good to be with you.

**Charles Gasparino** 01:28

Full disclosure, I am a constituent.

**Tim Scott** 01:29

You're my boss, in other words.

**Charles Gasparino** 01:31

Just—

**Tim Scott** 01:32

Oh my goodness.

**Charles Gasparino** 01:34

Just so you know, I was born in the Bronx. I grew up in New York. The last place I ever thought I'd end up is South Carolina. If you told me 30 years ago, "You're going to end up in South Carolina and buy a house," I'd love it.

**Tim Scott** 01:45

So far, so good?

**Charles Gasparino 01:36**

It's great. Now, tell me, how did you convince so many people like me to get down there? Because if you look at any map now, South Carolina might be the fastest growing state, right?

**Tim Scott 01:55**

100 percent. Per capita, we are the number one state in the nation for population growth. As a matter of fact, if I had my druthers, I would probably choose who gets to come.

**Charles Gasparino 02:06**

Would I make the cut?

**Tim Scott 02:08**

You'd make the cut.

**Charles Gasparino 02:09**

Ah, okay.

**Tim Scott 02:10**

One of the great things we have, great beaches, sand, sunshine, friendly people, amazing food and a pretty high quality of living. And so we're seeing a lot of folks move to South Carolina. We've also seen with the incredible growth in Florida—we call folks half-backs. They move from New York down to Florida. Too many storms, they move halfway back to South Carolina. So we're seeing a lot of growth in South Carolina.

**Charles Gasparino 02:37**

I interviewed Governor DeSantis. I wish I knew that half-back line—because that would be a good one. A good business climate, too.

**Tim Scott 02:45**

Tremendous. We have seen such an explosion. This really started back in 2009 when people saw the largest economic announcement in America was Boeing making the decision to move their operations, major part of their operations, to Charleston.

**Charles Gasparino** 02:59

Right.

**Tim Scott** 03:00

And since then, we've seen just last year, Google made the decision to build a \$9 billion data center in Dorchester County, in the Tri-County area, the Charleston metropolitan area. You've seen one of the largest EV companies, battery companies, move to South Carolina. BMW, their largest presence on the planet is in South Carolina. The Port of Charleston, \$3 trillion of business. Ross Perot, Jr. has a location in South Carolina. So we have a lot of firepower for the state of our size because we are not just business friendly, we are actually hunting for the next big thing.

**Charles Gasparino** 03:43

Will you cut the income tax ever? Like get rid of it?

**Tim Scott** 03:46

Yeah. As a matter of fact, there's a number—

**Charles Gasparino** 03:47

I would love you to do that, by the way.

**Tim Scott** 03:48

100 percent. One of the challenges that we have in South Carolina is that we still have an income tax that's just too high. If you look at states like Tennessee and Texas, Florida, our major competitors, they've taken their—especially Tennessee recently—down to zero. My goal is to see our next governor focus on this issue. I'm encouraging all the gubernational candidates to take seriously, if you want to attract even more business to South Carolina, you've got to eliminate the income tax. And I served in the State House

for two years, and one of the things I recognized then was that we have these sacred cows in South Carolina where they've had so many preferential treatments from a tax perspective—

**Charles Gasparino** 04:29

—Right—

**Tim Scott** 04:30

—That getting the tax code to be fair is difficult because the folks who are the sacred cows, they don't want to give it up yet.

**Charles Gasparino** 04:38

What's a sacred cow in South Carolina? Now that I'm a constituent—I'd love to know.

**Tim Scott** 04:41

Yeah. Good example. If you buy a \$100,000 Lexus, or if you buy a \$20,000 Toyota, the sales tax is \$300.

**Charles Gasparino** 04:53

Okay.

**Tim Scott** 04:54

In most places, the sales tax is consistent with the value of the vehicle. In South Carolina, it's set at \$300, which is to the disadvantage of every other person paying the taxes. In other words, the more times you take something off the tax roll, someone else has to absorb that tax.

**Charles Gasparino** 05:12

Right.

**Tim Scott** 05:13

There's no magic in taxation. Someone's going to pay it. The only question is how do you do it?

**Charles Gasparino** 05:17

And it's a consumption tax, as it should be.

**Tim Scott** 05:19

Absolutely, exactly.

**Charles Gasparino** 05:20

It's an income tax. You are also, as most people know, the chairman of the Banking Committee. You played a key role in moving Kevin Warsh—

**Tim Scott** 05:26

—Yes—

**Charles Gasparino** 05:27

—Out of committee to the full Senate. He'll be, I assume on a party vote at least, confirmed as Fed chair—

**Tim Scott** 05:32

Yep—

**Charles Gasparino** 05:33

—Very soon. Jerome Powell, the man he's replacing, much to the chagrin of Mr. Trump—

**Tim Scott** 05:40

—Yes—

**Charles Gasparino** 05:43

—Is staying on. What do you think about that? He's staying on as Fed governor.

**Tim Scott** 05:45

Yes.

**Charles Gasparino** 05:46

It is in the law that he can do it.

**Tim Scott** 05:49

Yeah. So he can stay to the end of 2028 or maybe middle of—January 31, 2028—

**Charles Gasparino** 05:54

Yeah.

**Tim Scott** 05:55

—Is when he would have to get off. The truth of the matter is he's breaking 75 years of precedent. Every time you get a new chairman, the former chairman leaves. That's good news because what you don't want are these philosophies in conflict. And I think Jay Powell is making a significant mistake. Significant decision, but really bad one. I think for the country and for the Fed, it would be best if he left.

**Charles Gasparino** 06:20

Right. Because the Fed, as you know, the chairman doesn't have unilateral control. Right? Just for people that don't know this, he has to rule by some sort of consensus.

**Tim Scott** 06:28

Exactly.

**Charles Gasparino** 06:29

And he would be there. So how do you get rid of him?

**Tim Scott** 06:31

Prayer. Lord—We need some prayer on this issue. Honestly, I think it's going to be his decision. All signs point to his departure before '28 but I do think he's maybe just poking the president in the eye a little bit.

**Charles Gasparino** 06:50

So, the reason why he's staying, he's saying "Well listen, you still got this bogus investigation of me going on. It's no longer at the DOJ, it's now with the Fed inspector general, and I can't leave unless you get rid of that investigation."

**Tim Scott** 07:02

Well actually, the good news is the DOJ role is over.

**Charles Gasparino** 07:07

Right.



**Tim Scott** 07:08

The one thing we were able to do, and we worked on this for a long time, we give a lot of credit to Jay Clayton—actually who's the US attorney in the Southern District—

**Charles Gasparino** 07:14

—Know him well—

**Tim Scott** 07:15

—A smart man—

**Charles Gasparino** 07:16

—Smart dude, yeah—

**Tim Scott** 07:17

—Former SEC chairman. He really worked with us to find the path where we would take a criminal investigation and send it over to the IG, so that the IG, having all the tools necessary to do a thorough investigation, would get it done. And if there's a necessity for a criminal referral, it'll happen. But the truth of the matter is that, having been the person asking the question—

**Charles Gasparino** 07:42

—Yeah, you were key to asking the question about the Taj Mahal—

**Tim Scott** 07:45

—Exactly—

**Charles Gasparino** 07:45

—On the mall. The redo of the Fed headquarters, which some say came in way over budget. You asked the question.

**Tim Scott** 07:52

Exactly. And I saw no criminal intent. I saw nothing that was someone who's unprepared without any question—but any criminal nature whatsoever, none at all. So.

**Charles Gasparino** 08:01

Do you think there was negligence in the building, in the cost of that thing?

**Tim Scott** 08:05

It is certainly incredibly over budget, but the one thing we should do is give the IG an opportunity to dig into all the information to figure out. I don't know what were the change orders, don't know why. I don't really understand the entire process. And one of the things that we were hunting when we were looking at it was, why do we need a beehive garden at the top? So there were aspects of the renovations that were challenging to absorb as a taxpayer. The question, however, goes beyond whether or not they were building what they had designed. The question is, why were the costs so exorbitant? And we don't have the answers. The only way to get answers to that question is to have the IG, we have all confidence in Horwitz, to do his work. That requires patience, something that we're not really well known for.

**Charles Gasparino** 08:53

Yeah, I know. One solution I heard was to take away his various privileges to convince Mr. Powell to leave. Maybe get rid of his parking space. Put his office in the basement. I've heard that from legitimate people. Is that—are people talking about that seriously?

**Tim Scott** 09:09

Yeah. I think the biggest opportunity to get Jay Powell to leave is just truth. Truth is, you don't want your predecessor having impact on the Federal Reserve.

**Charles Gasparino** 09:24

And he will if he stays.

**Tim Scott** 09:25

100 percent. If you believe in the independence of the Fed, then Jay Powell himself needs to leave. It is in the best interest of the country and the Fed to have a Fed focused on their dual mandate and not on who's in charge, who has influence.

**Charles Gasparino** 09:42

Right. People forget Jerome Powell veered off into very political areas. ESG is a big one.

**Tim Scott** 09:48

100 percent. And climate, I mean, the truth of the matter is when you look at the two out of the three biggest bank failures in American history, SVB being one of them, Silicon Valley Bank, was an interest rate issue. It was a liquidity issue. Unfortunately, even with 31-plus MRAs, the Fed's oversight, they were distracted. Was it distracted by ESG, climate change? I don't know. What we do know is that their eye wasn't on the ball at SVB. It was something that was easy to see. They had written tons of notes about it. No action was taken. And that's one of the reasons why, even when Mickey Bowman came over to the Fed, now the vice chair of supervision, one of the first questions I asked her was "Help me understand how we're going to prevent future challenges like this." And one of the most important things was, let's change the players on the field, let's change the playbook, and let's change the leadership. If she had just said one of the three, it would have been hard for me. But the fact that she recognized that you have to have not only a change in the leadership, she becomes the vice chair of supervision. Change in the playbook, what we're going to do as it relates to our focus, but the people going into the institutions have to be different as well. And that's now we make sure that once a MRA is written, there's follow-up. Leadership and the players on the field make a big difference.

**Charles Gasparino** 11:14

You're in the Banking Committee, so you have a special interest in this. How did we get to a place where people were debanked based on political beliefs? I mean, Donald Trump's businesses were debanked after he left office in the first term. Melania was debanked, I believe.

**Tim Scott** 11:29

Yes.

**Charles Gasparino 11:30**

I actually broke a few stories about this, and people at JP Morgan and Bank of America were pretty honest. They said, “Listen, we debanked them based on pressure from the Biden administration.”

**Tim Scott 11:39**

Yes.

**Charles Gasparino 11:41**

How is that legal in any stretch of the imagination? And by the way, it wasn't just political. Heterodox businesses like crypto were debanked.

**Tim Scott 11:48**

Oh yeah. Yeah. Listen, frankly, the oil and gas industry—

**Charles Gasparino 11:50**

—Oh yeah that too—

**Tim Scott 11:52**

—Was debanked as well. Disfavored parts of our economy being debanked is just immoral, in my opinion, and unethical. You think back to the original conversation on debanking, it happened more than 60 years ago. We called it redlining. Redlining then was just about debanking. Who was out of favor in the society? They had no access. There are institutions today that are still paying hundred-million-dollar-plus fines for the debanking that they're doing even in the 2000s. And so when you see it happen again, as opposed to it being a racial conversation, now it's like whether we like your business or not. That is a problem that we should solve quickly. It's one of the reasons why my committee passed my FIRMA act, which allows for us to identify the debanking challenges and eliminate it, purge it out, of the system. The Federal Reserve has already embraced it. OCC has done it as well. And so we're in better shape than we have been, but we should never allow for either administration, Republicans or Democrats, to pick and choose who they like and then take them out of business. That's just wrong. And so we've got legislation that's done it. We have actions in the administration that's doing the exact same thing. So I'm happy about where we are now. I'd like to make that legislation law. It should be a bipartisan coalition support.

**Charles Gasparino** 13:14

I was going to ask you about that, because it's one thing for the OCC, the Office of Comptroller of the Currency, which was kind of at the forefront, the tip of the spear on the debanking, to say "Okay, we're going to change the rules. No more reputational risk—

**Tim Scott** 13:25

Yep.

**Charles Gasparino** 13:25

—mandates—

**Tim Scott** 13:26

—Yeah—

**Charles Gasparino** 13:27

—But new administration, new OCC, new Fed.

**Tim Scott** 13:34

Yeah.

**Charles Gasparino** 13:35

Why aren't people just coming together on legislation on this? It seems so cut and dry.

**Tim Scott** 13:39

Yeah. We passed my legislation on reputational risk and debanking, passed the Senate. But it passed the Senate Banking Committee on a partisan vote. My hope is that as we get beyond this election cycle, go into the lame duck session, we'll have an opportunity to actually do the right thing as it relates to

debanking, because ultimately, you don't want redlining in any shape or form, period. Be it racial or disfavored business opportunities in this country. And frankly, we should make decisions based on credit scores, like will they pay it back? Not on whether we like you or not.

**Charles Gasparino** 14:13

Well, speaking about debanking, one industry that still doesn't get major banked is the cannabis industry.

**Tim Scott** 14:21

Yeah. Yes.

**Charles Gasparino** 14:22

And President Trump just reclassified marijuana from a Schedule I to a Schedule III, meaning it's no longer considered, on a federal level, not state. A lot of states basically legalized or decriminalized it. So on a federal level, it's now no longer like heroin. It's now kind of like Tylenol with codeine. Still, the pot industry can't get banked. Do you think that should change?

**Tim Scott** 14:44

Well, being agnostic about the "it" —

**Charles Gasparino** 14:51

—I am too, although I did try—

**Tim Scott** 14:52

—I'm not agnostic, I got a strong—

**Charles Gasparino** 14:54

—I tried a gummy once just to—

**Tim Scott** 14:55

—Yeah, I have not. But I will tell you this, in my opinion...how was it?

**Charles Gasparino** 15:00

You know—

**Tim Scott** 15:02

—You can plead the Fifth if you need to, by the way.

**Charles Gasparino** 15:04

Okay, so let me give you my pot experience. I haven't smoked anything since I was 17. So. And I'm quite older than 17 now.

**Tim Scott** 15:12

She's videoing you now, so make sure you tell the truth, because we're going to go back in your records for it.

**Charles Gasparino** 15:14

Right. But I was an athlete, so I didn't do it really that much. I tried it. Okay, so I did a gummy recently, and I did not like the feeling.

**Tim Scott** 15:23

Yeah.

**Charles Gasparino** 15:24

Now, I work out a lot, I had shoulder pain. I used a gel, and it worked phenomenally.

**Tim Scott 15:31**

Huh.

**Charles Gasparino 15:32**

There seems to be a medical...I could see the medical rationale here. We don't want a nation of stoners, right? Because this stuff is kind of antithetical to getting up in the morning and out and doing God's work.

**Tim Scott 15:44.**

Yeah, yeah.

**Charles Gasparino 15:45**

Right?

**Tim Scott 15:46**

I just wanted to hear what you had to say. I haven't tried it. But I will say that if we're going to have the conversation about marijuana, we'd have a different conversation. We could have it about the synthetic nature of marijuana and how it's 300 percent stronger than it was naturally. That's a different conversation. The real conversation we're having though, is about access to the banking system. The answer to the access to the banking system is that Congress is going to have to make it legal, because today even though the president has declassified it, or reduced its impact, the truth is, it is still illegal. Therefore, the banking system cannot allow access to our federal banking system. You can on the state level, but on the federal level, until it becomes a legal conversation, until that's solved...

**Charles Gasparino 16:32**

Will it be solved?

**Tim Scott 16:34**



I think it will. There's something called the SAFE Banking Act, which is to allow for the banking question to be solved by making it legal to bank it. Because what you don't want—this is the other part of the quandary—is what you don't want is to have a situation where you have these cash rooms, where you have hundreds of thousands of dollars of cash sitting in a location. Everyone knows you can't bank it, and therefore, the criminal activity is much higher in these places. So there is a quandary that we have to solve. I think we'll get to a solution.

**Charles Gasparino** 17:10

How about crypto? The CLARITY Act is moving slowly. It's getting through. Are we going to see that?

**Tim Scott** 17:15

Yeah. It's becoming clear, which is good news. I think we are sitting on the cusp of seeing the actual markup happen sometime in the next few weeks. So three to five weeks, I think we'll be on the other side of it. In my opinion, for us to have a successful passage of the CLARITY Act, we have to first make sure that all Republicans are on the right page, because until we have that, we won't get it done, because Democrats today want to do nothing to help Donald Trump.

**Charles Gasparino** 17:48

And as you know, they're holding some of this up. They just got some clarity on the yield on the stablecoin. There can be some yield. Banks fought back on making it equal to, I guess, bank deposits, so they have some compromise there. But the one thing that's holding up is Democrats want to make an issue of Trump's own crypto or his company's—

**Tim Scott** 18:11

—Yeah. So there's basically four or five outstanding issues around the CLARITY Act. One, you just mentioned, which is the issues of ethics, which of course is not in the bank committee, that we have an ethics committee that would have to take that on. But at the end of the day, the Democrats want to make sure that everyone from the president down have to live by the same rules of the road as it relates to market structure. Number two, the issue of quorum, making sure that both the CFTC and the SEC—they have a quorum so they can do business there. Number three would be the issue of rewards. The compromise came out, and the fact of the matter is that the banks kind of were apoplectic. I would not say that the response from banks in the last 24 hours have been positive, warm response. Like, "OMG." So not very good so far. But the compromise put in place, what we wanted to make sure is that if it looks like a duck, walks like a duck, it might be a duck. So we wanted to make sure that a savings account and your stablecoins are treated differently because they're very different. Number one, savings accounts are

fractional tools. You have a fractional investment in the background. Number two, stablecoins are dollar for dollar. It helps our treasuries as well. So solving that problem—

**Charles Gasparino** 19:26

Because the stablecoin's invested in treasuries.

**Tim Scott** 19:28

Yes. Dollar for dollar.

**Charles Gasparino** 19:29

We got a minute left. I'm getting the red light here. Midterms, real quick, what do you think?

**Tim Scott** 19:25

Yes. Midterms, we'll be in the majority. Republicans will stay in the majority—

**Charles Gasparino** 19:38

—In the Senate?

**Tim Scott** 19:39

In the Senate for sure. I do think we have a lot of work to do, take a lot of money. It'll be the most expensive midterms ever. I would suggest that Susan Collins will be successful in Maine. North Carolina's a challenging state for us, but I think Michael Whatley will be successful. Holding our three top-tier seats would be Iowa, Ohio, two major races that we have to be successful, and then Alaska. You do that, we're in the majority. I think we'll be in the majority.

**Charles Gasparino** 20:07

House, not so—tough one, right?

**Tim Scott** 20:11

Thankfully I'm in the Senate, running in the Senate for reelections. I think the House is a different story. Challenging situation without any question, but we'll see what happens there. There's a sliver of hope, but there's a lot of firepower right now against the House.

**Charles Gasparino** 20:23

So it would be malpractice if I didn't ask this. Are you ever going to run for president?

**Tim Scott** 20:29

You know—

**Charles Gasparino** 20:30

—You ran once, didn't you?

**Tim Scott** 20:31

I did. It was a short run, but I did run. It was a great experience—2023. Who knows the future? I don't know the future. One thing I will say is that it is such a gift from the good Lord and the American people to serve in the United States Senate. I can't think of a better country to serve than America. This country, as challenging as the politics is today, is the greatest story on the planet.

**Charles Gasparino** 21:00

We're lucky to have you.

**Tim Scott** 21:01

Thanks Charles. Good to meet you.

**Announcer** 21:05

We hope you enjoyed the discussion. The next panel will begin shortly.

*Disclaimer: This transcript was reviewed by individuals for accuracy and serves as a reference. However, it may still contain errors or omissions. Please verify any critical information independently.*