Early Warning System

FMO-56155

THE CURRENCY EXCHANGE FUND N.V.

Quick Facts

Countries	Netherlands
Financial Institutions	Netherlands Development Finance Company (FMO)
Status	Proposed
Bank Risk Rating	C
Borrower	Currency Exchange Fund NV
Sectors	Finance
Investment Type(s)	Equity
Investment Amount (USD)	$ 30.00 million

Project Description

According to the Bank's website, this project will provide financing to the borrower in order to increase their capital base and support the growth of its portfolio of local currency solutions.

Investment Description

- Netherlands Development Finance Company (FMO)

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- Currency Exchange Fund NV (Financial Intermediary)

Private Actors Description

The Currency Exchange Fund N.V. (‘TCX’) is a fund based in Amsterdam, The Netherlands. It was founded in 2007 by development finance institutions, specialized microfinance investment vehicles and donors to offer solutions to manage currency risk in developing and frontier markets. These solutions consist of derivatives which enable TCX’s investor to lend in local currency while shifting the currency risk to TCX. This protects borrowers from the risk resulting from currency volatility due to borrowing in hard currencies like USD, EUR, etc.

Contact Information

No contact information available at time of writing.

ACCOUNTABILITY MECHANISM OF FMO

Communities who believe they will be negatively affected by a project funded by the Dutch Development Bank (FMO) may be able to file a complaint with the Independent Complaints Mechanism, which is the joint independent accountability mechanism of the Dutch Development Bank (FMO) and the German Investment Corporation (KfW) . A complaint can be filed in writing, by email, post, or online. The complaint can be filed in English or any other language of the complainant. The Independent Complaints Mechanism is comprised of a three-member Independent Expert Panel and it can provide either problem-solving, compliance review or both, in either order. Additional information about this accountability mechanism, including a guide and template for filing a complaint, can be found at: https://www.fmo.nl/independent-complaints-mechanism