Early Warning System

IFC-39038

Koin

Early Warning System
Koin

IFC-39038

Quick Facts

Countries	Brazil
Financial Institutions	International Finance Corporation (IFC)
Status	Active
Bank Risk Rating	U
Voting Date	2017-09-08
Borrower	KOIN SA
Sectors	Finance
Investment Type(s)	Equity
Investment Amount (USD)	$ 2.25 million
Project Cost (USD)	$ 4.50 million

Project Description

The proposed project consists in an up to US$2.25 million equity investment in the Series A Equity Funding Round in Koin Administradora de Cartões de Crédito Ltda. (“Koin” or the “Company”). Koin is a payment solution provider (“PSP”) that offers a postpaid solution for online purchases where the consumer receives the goods before paying directly to the merchants. The Company also provides credit for online purchases in installments. Koin is headquartered in Sao Paulo, Brazil, and has operations throughout Brazil. The project sponsor is Ricardo Laureano Siqueira (founder). Ricardo is also the founder of Maxipago, a successful online payment gateway later sold to Rede (Banco Itau Group).

Expected Development Impact

I. Facilitation of electronic payments: The investment in Koin will promote the development of a low cost and pervasive payment infrastructure in Brazil. Making payments electronically rather than in cash has been shown to generate efficiency and promote economic development II. Wider Availability of Goods and Lower Prices: The ability to receive the good upfront and pay later is an enabler for the e-commerce sector. Therefore, Koin, as an innovative payment solution, will result in better availability and distribution of goods and services. In addition, Koin allows customer without a credit card to participate in ecommerce and benefit from the wider availability of goods and lower prices.

IFC's Expected Role and Additionality

I. IFC payment expertise: Koin will benefit from IFC's expertise in the FinTech space, in particular the experience with other payment solutions providers (PSP) investments in different regions. This should help the company better manage its risk and design relevant new services and/or products II. Stamp of Approval: Company is seeking an IFC investment as it adds credibility, as well as improve its brand perception. This is important as perceived trust by the consumer and by merchants is a critical factor of success.

People Affected By This Project

I. Facilitation of electronic payments: The investment in Koin will promote the development of a low cost and pervasive payment infrastructure in Brazil. Making payments electronically rather than in cash has been shown to generate efficiency and promote economic development

II. Wider Availability of Goods and Lower Prices: The ability to receive the good upfront and pay later is an enabler for the e-commerce sector. Therefore, Koin, as an innovative payment solution, will result in better availability and distribution of goods and services. In addition, Koin allows customer without a credit card to participate in ecommerce and benefit from the wider availability of goods and lower prices

Investment Description

- International Finance Corporation (IFC)

Total project cost is estimated at up to US$ 4.5 million from new investors by subscribing to Preferred Series A Shares of Koin in order to fund the Company’s expansion of operations. IFC is considering investing up to US$ 2.25 million in the Series A equity funding round.

Contact Information

CONTACT:

For Inquiries About the Project:
Koin
Ricardo Laureano Siqueira
Founder
+55 11 3145-0636
ricardo@koin.com.br
Av. Brigadeiro Luis Antonio, 3.751
https://www.koin.com.br/

For Inquiries and Comments About IFC:
General IFC Inquiries
IFC Communications
2121 Pennsylvania Avenue, NW
Washington DC 20433
Telephone: 202-473-3800
Fax: 202-974-4384

ACCOUNTABILITY MECHANISM OF IFC

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org/

Compliance Advisor Ombudsman
International Finance Corporation
2121 Pennsylvania Avenue NW
Room F10K-242
Washington, DC 20433 USA
Tel: 1 202 458 1973
Fax: 1 202 522 7400
E-mail: cao@worldbankgroup.org