Early Warning System

IFC-41700

TCX II

Quick Facts

Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	C
Voting Date	2020-07-24
Borrower	THE CURRENCY EXCHANGE FUND N.V.
Sectors	Finance
Investment Amount (USD)	$ 10.00 million

Project Description

The proposed project is a joint equity investment of US$50mn by IFC and IDA in TCX, a fund established in 2008 by a group of Development Finance Institutions and specialized micro-finance vehicles to offer products to manage currency risk in emerging markets and developing economies (EMDE). IFC will invest US$10 million for its own account and a further US$40 million on behalf of IDA under the Private Sector Window Blended Finance Facility. IFC is an existing investee in TCX with a 4.46% shareholding as at December 31st 2019. The proposed investment will increase TCXs capacity to offer currency risk management products in IDA countries and consequently enable offshore investors including DFI to provide local currency financing in those countries on competitive terms. IFC as a shareholder will benefit from member-pricing which will enable IFC to provide more local currency financing in IDA countries where hedging solutions may otherwise not be available

Investment Description

- International Finance Corporation (IFC)

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.

- TCX Investment Management Company BV (Financial Intermediary)
- The Currency Exchange Fund (TCX) (Financial Intermediary)

Private Actors Description

The Currency Exchange Fund ('TCX') was founded in 2007 by a group of development finance institutions, specialized microfinance investment vehicles and donors to offer solutions to manage currency risk in developing and frontier markets

The Fund has a number of investors. These include the German and Dutch governments, who provided risk capital to facilitate the participation by other investors. The other investors can be divided in a) development finance institutions (DFIs), including FMO from the Netherlands, KfW, DEG and EFSE from Germany, AFD and Proparco from France, BIO from Belgium, OFID from Vienna, JBIC from Japan and Cofides from Spain; b) multilateral development finance institutions including EBRD, based in London, the EIB from Luxembourg, the IFC and the IDB from Washington DC, the AFDB from Tunis/Abidjan and the DBSA from Johannesburg and c) specialized microfinance investment vehicles (MIVs) including Oikocredit, Oxfam-Novib Funds, Triple Jump/ASN Funds, Blue Orchard Microfinance Fund, and Grameen Crédit Agricole Foundation.

The Fund is managed by TCX Investment Management Company BV (sometimes called 'TIM'), a fund management company, based in Amsterdam, whose primary responsibility it is to manage the Fund and to execute the Fund's developmental mandate.

Contact Information

TCX Fund
Ruurd Brouwer
CEO of TIM
+31 6 225 631 86
r.brouwer@tcxfund.com
The Netherlands
Websitewww.tcxfund.com

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/