Early Warning System

IFC-45323

DCM Solis FIDC

Early Warning System
DCM Solis FIDC

IFC-45323

Quick Facts

Countries	Brazil
Specific Location	UNINFORMED
Financial Institutions	International Finance Corporation (IFC)
Status	Active
Bank Risk Rating	B
Voting Date	2021-12-20
Borrower	SOLIS INVESTIMENTOS LTDA
Sectors	Finance
Investment Type(s)	Loan
Investment Amount (USD)	$ 50.00 million
Project Cost (USD)	$ 50.00 million

Project Description

The proposed project consists of an investment in senior quotas of FIDC Tradepay Varejo I (Tradepay or the Fund), a short-term, non-recourse, virtual credit card receivables fund managed by Solis Investimentos (Solis or the Fund Manager) in Brazil (the Project). Tradepay exclusively finances Trademaster (TM), a Fintech/Tradetech payment/settlement platform for the Brazilian retail sector interacting with large consumer product companies.

People Affected By This Project

IFC anticipates that the Project will contribute to increasing access to finance for MSME buyers engaged in short-term supply chain finance and which are obligors to the Fund. Brazil's low credit penetration is attributable to structural issues in the banking sector; concentration, high degree of state intervention, high interest rates, etc., which all contribute to a lack of innovation and incentives to go down the market to reach MSMEs. The Project is expected to contribute to the improvement of access to finance for MSME retailers, as it supports a financing structure that improves financing terms at which MSME retailers acquire merchandise from large corporates in Brazil.

IFC expects that the Project will further contribute to a greater market competitiveness by increasing the offer from alternative lenders in the MSME financing segment, while deepening the local debt markets via the diversification of the FIDC market. The Project will ultimately contribute to an improved availability of financing options for MSMEs.

Investment Description

- International Finance Corporation (IFC)

According to the IFC, The Project consists of an up to BRL 250 million (up to US$50 million) investment in senior quotas of Tradepay, to be structured in two commitments. The first commitment amount is up to BRL 118 million (equivalent to up to US$22 million).

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.

- SOLIS INVESTIMENTOS LTDA (Financial Intermediary)

Private Actors Description

According to the IFC, The Fund is managed by Solis, one of the leading FIDC fund managers in Brazil. Solis' controlling shareholders and top management team consists of Mr. Ricardo Binelli (54%) and Mr. Delano Macedo (24.7%), two professionals, who have worked with FIDCs in Brazil since 2005. Solis established its first FIDC in 2016 and as of October 31, 2021, has been managing 55 funds, totaling BRL 5.7 billion in assets under management. Solis' partners have in turn invested in junior quotas of Tradepay.

Contact Information

Solis Investimentos Ltda.
Delano Macêdo de Vasconcellos
Credit Director
+55 11 3031-7370
delano.macedo@solisinvestimentos.com.br
Rua Ferreira de Araújo, 202, Conj.92, Pinheiros, São Paulo. SP, 05428-000.
www.solisinvestimentos.com.br

ACCESS TO INFORMATION

You can submit a request for information disclosure at: https://disclosures.ifc.org/#/inquiries.

If you believe that your request for information from IFC has been unreasonably denied, or that this Policy has been interpreted incorrectly, you can submit a complaint at the link above to IFC's Access to Information Policy Advisor, who reports directly to IFC's Executive Vice President.

ACCOUNTABILITY MECHANISM OF IFC/MIGA

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/