



Welcome



LA PRIVACY & CYBERSECURITY SYMPOSIUM

Fintechs and the Brazilian regulatory framework

Presented by

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BRAZIL: AN IMPORTANT FINTECH HUB

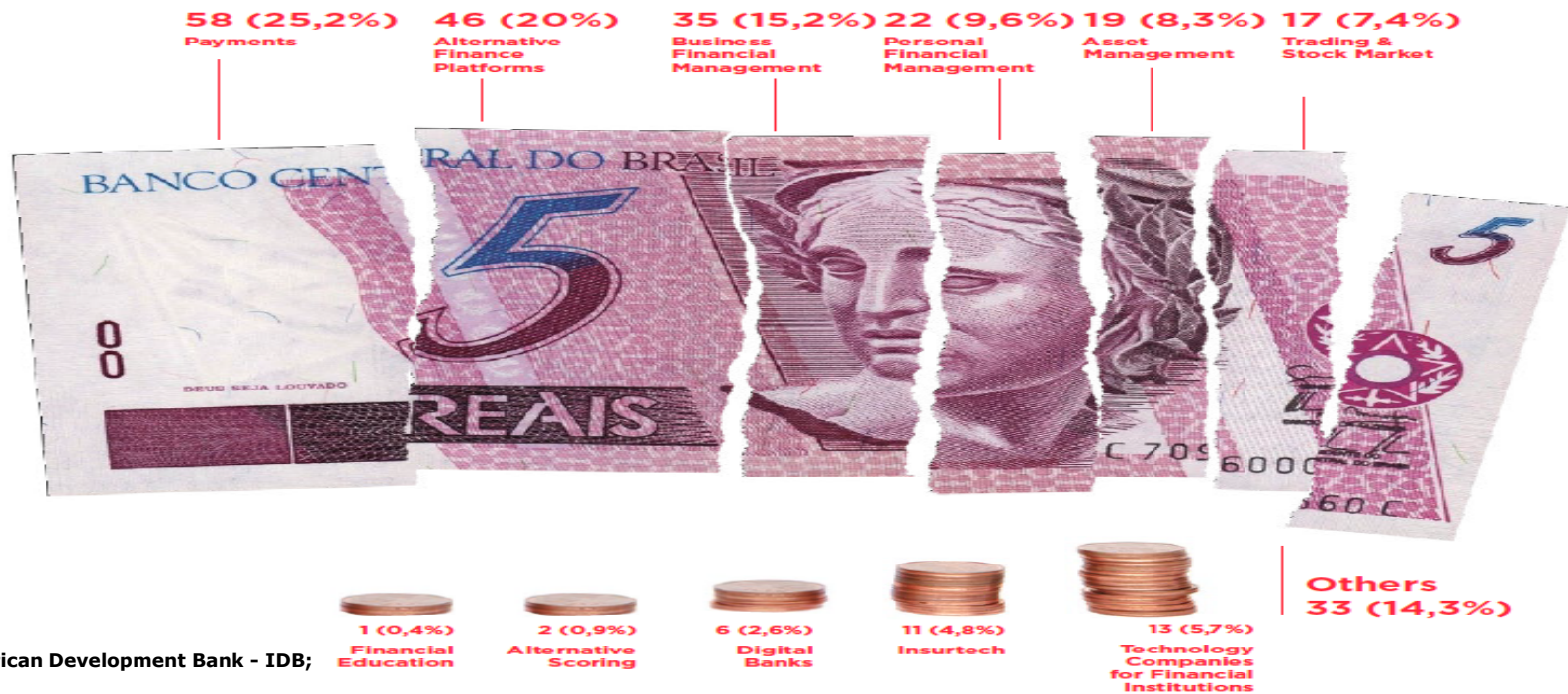
- Brazil has a population of around **208 million people** and ranks **8th** on the global scale in terms of **GDP**.
- **Brazil** accounts for **33%** of **Fintech startups** in Latin America.
- Regulator (Central Bank of Brazil) has shown a **positive approach, encouraging financial innovation**.

- **32%** of the population does **not** have access to **formal financial services** and **only 12%** has a **savings account**.
- One of the fastest growing markets, with **more than 220 million smartphones in use**.
- **R\$1 billion** invested in the sector in 2017.

(IBGE; April 2018) (IMF; April 2018) (IDB; May 2017); (Brasil Econômico; January 2018); (Valor Econômico; March 2017) (Fundação Getúlio Vargas – FGV; April 2018)



FINTECH BY BUSINESS SEGMENT IN BRAZIL



(Inter-American Development Bank - IDB;
May 2017)



FINTECH BY COUNTRY AND ORIGIN



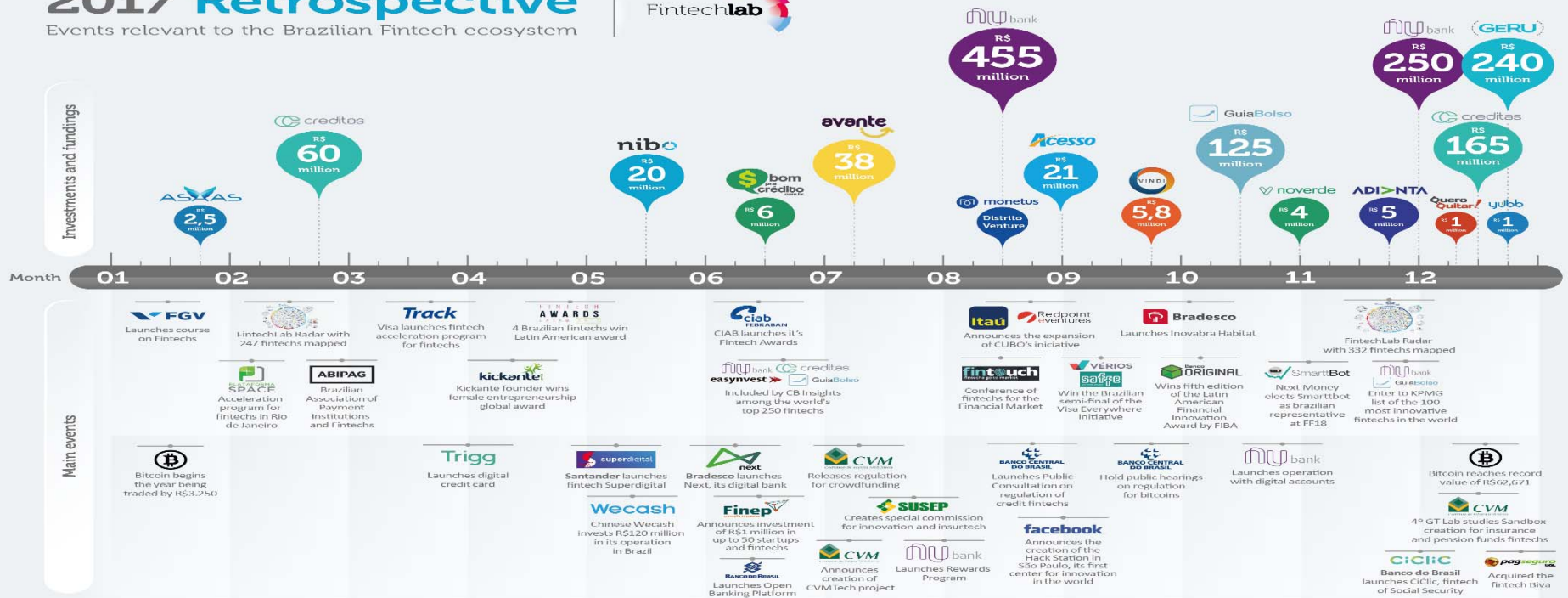
(Inter – American Development Bank (IDB); May 2017)



BRAZILIAN FINTECH ECOSYSTEM RETROSPECTIVE

2017 Retrospective

Events relevant to the Brazilian Fintech ecosystem

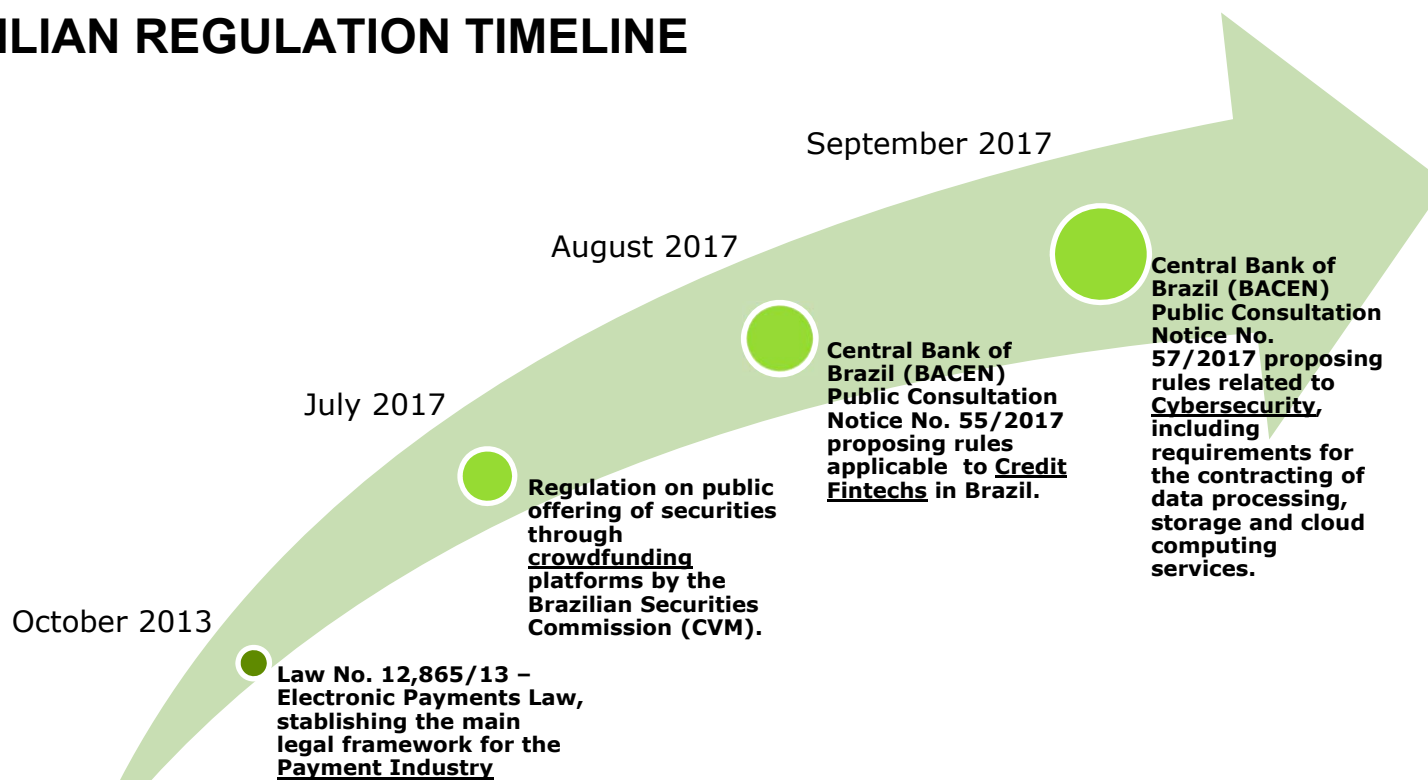


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BRAZILIAN REGULATION TIMELINE



ELECTRONIC PAYMENTS REGULATION



- Establishment of definitions for: **"payment arrangements"**, **"payment arrangements settlors"** and **"payment institutions."**
- Definition of three types of payment institutions: **"electronic currency issuer"** (E-money issuer), **"postpaid payment instrument issuer"** (credit card issuers) and **"acquirers"**.



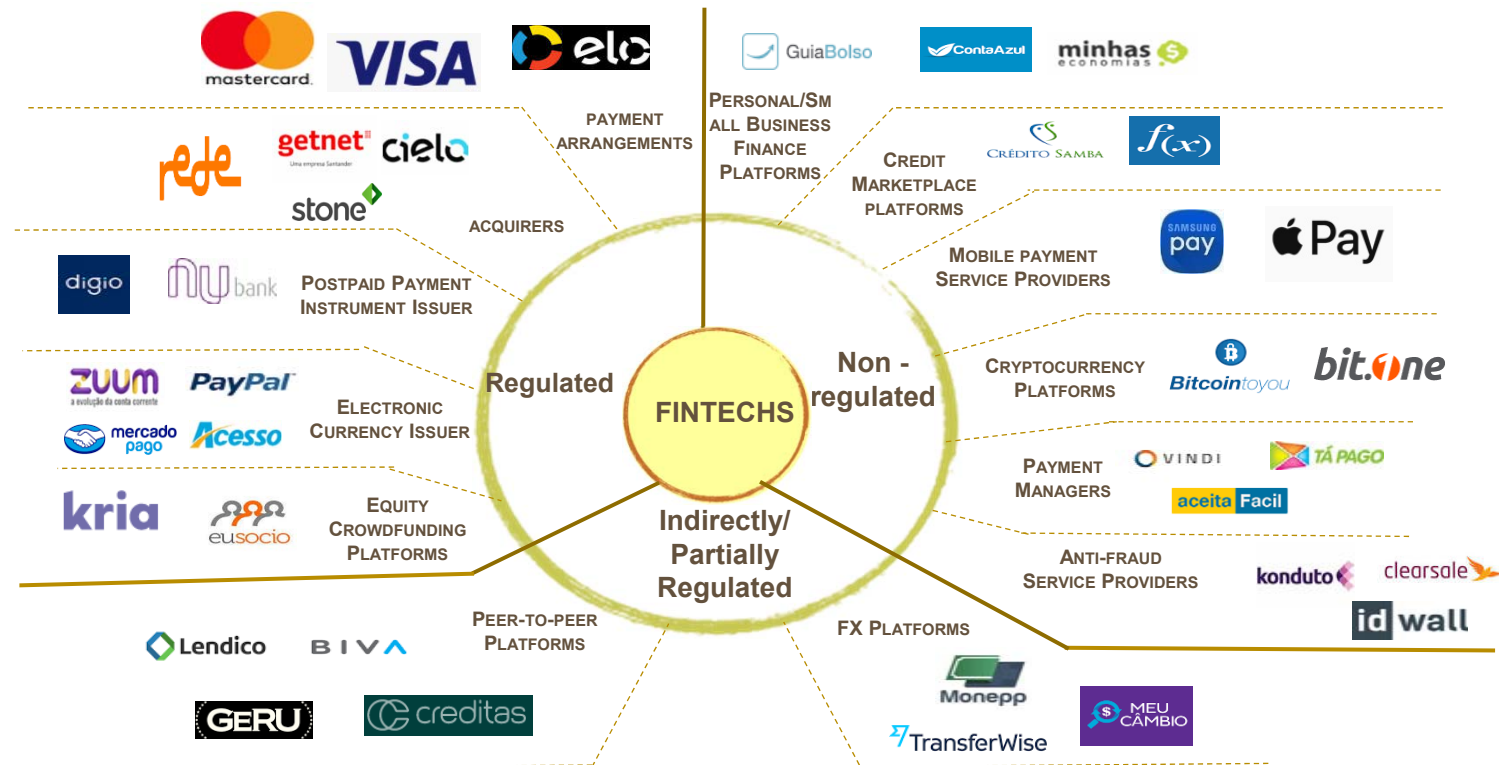
- Establishment of **principles** and **rules** to be observed by payment institutions and payment arrangement settlors.



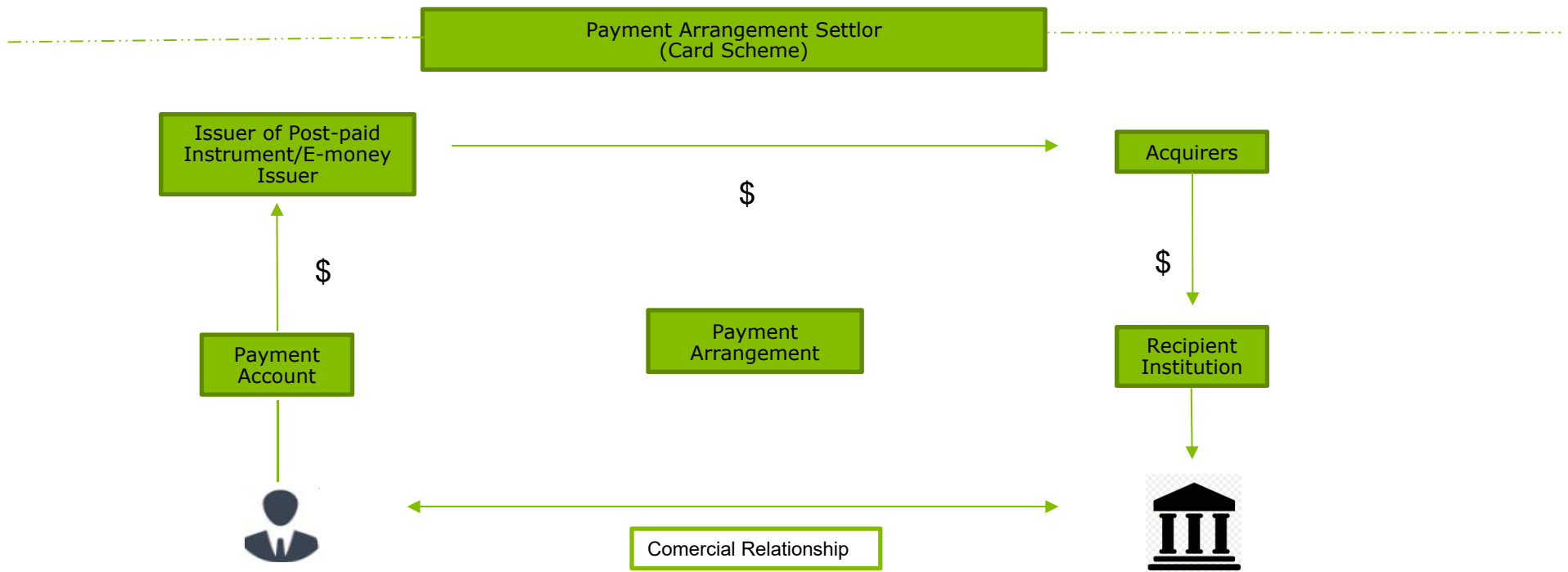
- Inclusion of **"payment arrangements"**, **"payment arrangements settlors"** and **"payment institutions"** into the **Brazilian Payment System** (*Sistema de Pagamentos Brasileiro*, or *SPB*).



BRAZILIAN FINTECHS BY REGULATION (not only startups)

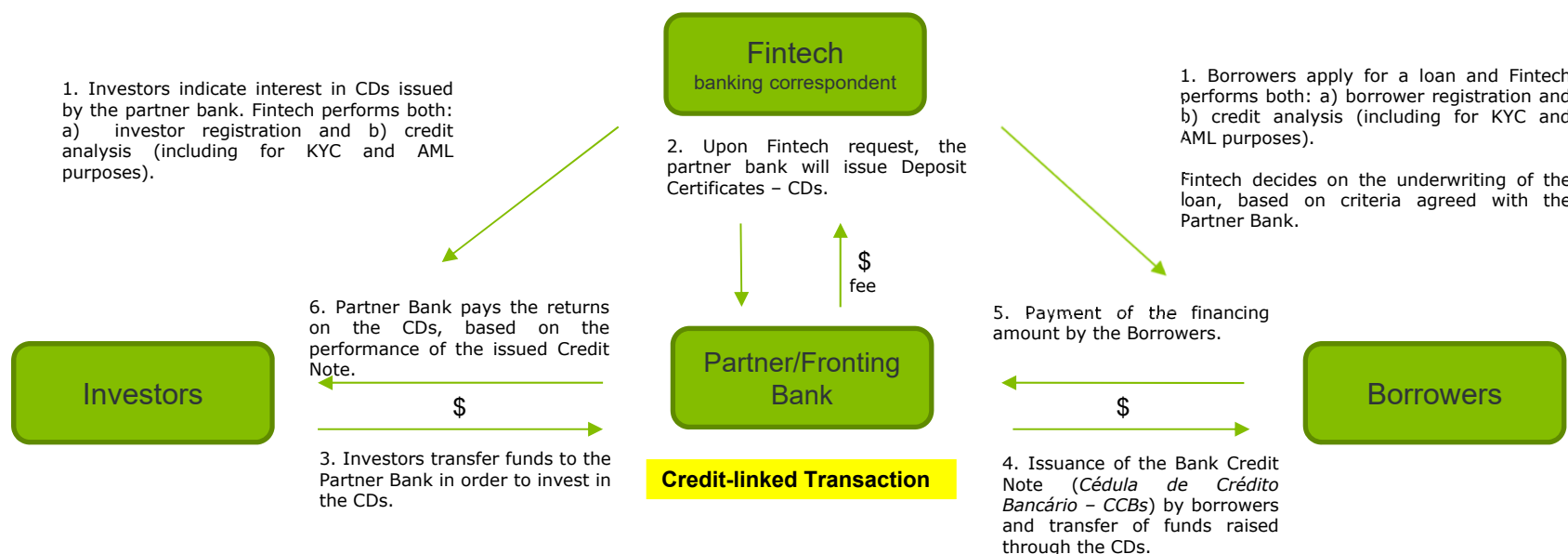


PAYMENT ARRANGEMENTS MAIN OPERATION STRUCTURE



CREDIT FINTECH'S CURRENT OPERATION STRUCTURE

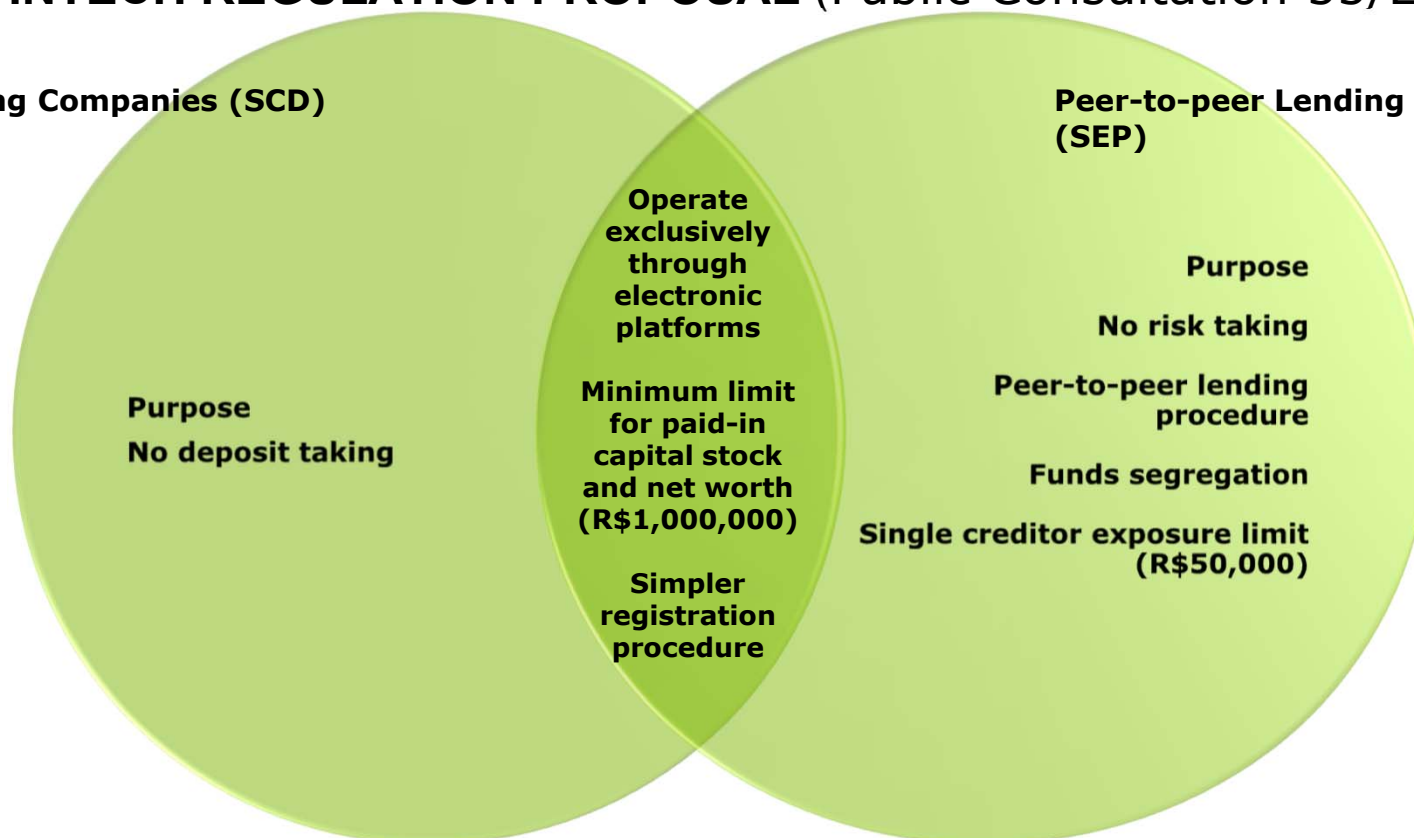
The Brazilian Banking Law (Article 17 of Law 4,595/64) and the White-Collar Law (Article 16 of Law No. 7,492/86) do not allow traditional "P2P lending" platforms to operate without the intermediation of a financial institution (only financial institutions authorized by the Central Bank are allowed to carry out financial intermediation in Brazil). Therefore currently one of the structures adopted by credit fintechs is represented as follows:



CREDIT FINTECH REGULATION PROPOSAL (Public Consultation 55/2017)

Direct Lending Companies (SCD)

Peer-to-peer Lending Companies (SEP)



CONCLUSION

Brazil is one of the most important countries in Latin America regarding fintech concentration and activity.

Brazil has a favorable economic ecosystem.

Brazilian regulatory authorities are interested and open to discussion regarding innovation and the development of fintech activity in the country.

Brazilians are open to innovations and new services.



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Gobbi specializes in banking law, and provides legal assistance to national and international institutions. Her practice encompasses regulatory matters, and a range of transactions involving financial institutions and fintechs, as well as the advisory to these entities in connection with the establishment of activities in Brazil, both through the incorporation of a new company and through the acquisition of interests in existing companies. She also acts in financing and debts restructuring transactions, mostly representing creditors. In the regulatory sphere, she deals with matters related to the payments industry and assists financial institutions and insurance companies with the structuring of new products and review of agreements used in their activities. Gobbi's practice includes the incorporation of insurance companies, health insurance plans, and brokerage companies, mergers and acquisitions (M&A), drafting and reviewing of reinsurance contracts, and providing legal assistance in connection with the approval of new products by the respective regulatory agencies.

Education

Columbia Law School, New York (LL.M., 2010).

Escola de Direito de São Paulo of Fundação Getulio Vargas, Brazil (Postgraduate in Insurance and Reinsurance Law, 2006).

Universidade de São Paulo, Brazil (Bachelor of Laws, 2005).

Recent Acknowledgements

Recognized by The Legal 500, issue 2017, in the category "*Next generation lawyer*", recommended in Banking and Finance and Insurance.

Office experience abroad

White & Case LLP, United States (2011).



THANK YOU

