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Financial technology companies, also known as Fintech, use information technologies to enable their offer of financial products and services. The global Fintech ecosystem has developed rapidly thanks to the globalization of industries and services, digital transformation of its processes, collaborative economies, and increased connectivity. Mexico has the capabilities to be part of this movement, thanks to the actions that are taking place in the country and the favorable business ecosystem in the country.

According to the World Economic Forum in its “Global Competitiveness Report 2018”, Mexico is the second most competitive economy in Latin America, right after Chile. The country's competitiveness is due to the large size of its market and the stability of its macroeconomic atmosphere. There are other reasons to be optimistic about Mexico's growth trajectory: “it outshines other Latin American countries in terms of business dynamism, due, in part, to the relatively favorable administrative environment for businesses”.

Thanks to this competitiveness, it has been possible to maintain a fertile soil for the creation of Fintech companies in the country. Therefore, efforts such as his “Fintech Law”, one of the most advanced in the world, and Mexican talent in the development of new applications and business models in an innovative framework, have been successful for positioning Mexico as the most promising Fintech ecosystem in Latin America. Mexico shows an overall value for annual transactions of 426 USD per Internet user, against 410 USD for Brazil. The approved Fintech laws promote opportunities for Open Banking models and the development of APIs for the integration of productive chains between financial institutions, Fintechs and users. This regulatory framework provides protection and certainty to users and investors. It also promotes one of the first legal Sandboxes at the country level to run pilot tests of new technologies and evaluate their functioning and interaction in the safest way with the different actors of the financial ecosystem.

As for the banking system, the country's financial institutions have developed agreements and projects to enhance their Fintech's initiatives, from specialized funds and courses to innovation laboratories, incubators and business accelerators. Hence, they achieve the double objective of promoting a better financial ecosystem in Mexico and, furthermore, modernizing themselves before the technological changes of digital transformation.

The participation of universities and R & D centers has been fundamental for the development of the sector, since they foster Mexican talent in these new business models, offering study plans with a technological approach through innovative models of education based on collaboration and Design Thinking. Similarly, there are centers that investigate local market behavior, improvements to the application of modern financial services, best practices from other countries and possible solutions for public policy, banking and participation on digital finances.

In this regard, ProMéxico just published a study on the current affairs of Fintech in the country. The document aims to deepen the strengths, challenges and opportunities of Mexico in a global environment for the new Fintech business models.

Among the main Fintech business opportunities mentioned in that analysis, one of the most important is the investment in RegTech (Regulation Technologies), which can decrease the response times and the costs for checking the regulatory compliance of organizations. In addition, the banking authority (CNBV) is evaluating some financial technologies for their application in small and medium businesses, thus facilitating processes, transparency and flexibility in regulatory matters. On the other hand, the Blockchain technology allows lower costs for security and traceability in transactions and even apply it for the use of easily manageable intelligent contracts, being a sector of interest to receive investment in application projects. At a global level, small and medium-sized companies face the most obstacles in order to carry out international trade operations, since they represent a greater risk that is not assumed by traditional banks. In this way, Trade-Finance becomes an important Fintech opportunity in the country, thus enabling economic growth by opening the doors of global business to most companies in Mexico.

Mexico has positioned itself as the most promising ecosystem for the growth, application and implementation of Fintech in Latin America and one of the most important worldwide. It is the sum of the efforts of the government, of the financial institutions, of the academy and of the innovative talent and national entrepreneurship, which has allowed the country to strengthen itself following the trends of financial evolution.