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FEATURED Q&A

How Important Is Colombia's New Payment System?

More than 30 million people have already registered to use the Colombian central bank's new instant payment system, which was launched in October. // File Photo: Pablo Rasero via Adobe Stock.

Q Colombia's central bank on Oct. 6 launched its new instant payment system nationwide. The system, known as Bre-B, is similar to the Brazilian central bank's Pix system, and 30 million people have already registered to use it, the Colombian central bank has said. What will Bre-B mean for consumers and businesses, and how will it work in practice? Why has the system already attracted so many users? What will be the impact of the system on Colombia's financial services sector?

A Geusseppe Gonzalez, head for Latin America at Access Partnership: "Colombia's new instant payment system, Bre-B, represents a vital step toward digital financial inclusion and interoperability. Modeled after Brazil's successful Pix platform and leveraging a decade of persistent internet growth (mainly mobile), Bre-B allows consumers and businesses to make real-time transfers 24/7 using only a phone number, ID or code. For consumers, this means faster, cheaper, and more convenient payments without relying on cash or traditional banking hours. For businesses—especially small and medium-sized enterprises—it lowers transaction costs, reduces payment delays and opens new opportunities for digital commerce and innovation. It is to be said that the system's rapid adoption—30 million registered users within weeks—reflects pent-up demand for more agile financial tools and the credibility of the Banco de la República as a neutral operator. Bre-B's integration with existing bank apps and digital wallets eliminates a series of frictions, while strong public-private collaboration with banks and fintechs has boosted consumer trust. From a policy perspective,

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IFC Secures $770 Mn for Guatemalan Utility

The World Bank's International Finance Corporation has closed a $770 million financing agreement with Energuate, Guatemala's largest private utility.

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Buy Now Pay Later Market in Region Expected to Grow 27 Percent

The buy now pay later market is expected to see 27 percent growth this year to reach $16.2 billion, according to a new report.

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FINANCIAL TECHNOLOGY

Ant International Invests in Mexico City-Based R2

Ant International, a subsidiary of Chinese billionaire Jack Ma's online finance firm, has invested an undisclosed amount in Mexico's R2, which offers lending infrastructure to small and medium-sized businesses.

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Ma // File Photo: ITU Pictures via Flickr. CC BY 2.0.

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FINANCIAL SERVICES NEWS

IFC Secures $770 Mn in Financing for Guatemalan Utility

The World Bank's International Finance Corporation (IFC) has closed a $770 million financing agreement with Energuate, Guatemala's largest private utility, to support service upgrades and debt payments, IFC announced in a statement on Oct. 20. The plan includes a $100 direct loan for IFC, in addition to $670 million funded through an international bond issuance that was recently facilitated by Deutsche Bank, JP Morgan and Santander. The bonds mature in 2035; banks had received orders totaling more than $3 billion, IFC said. Last year, Energuate had secured a $175 million loan from IFC that was tied to sustainability initiatives; it's unclear what specific projects will be funded by the new financing. Paulo César Parra, Energuate's general manager, said Oct 20 that the transaction "will enable us to consolidate a more efficient and reliable service, strengthen confidence in our country, and pave the way for Guatemala to become a regional benchmark in sustainable development and financial innovation."

CREDIT CARD NEWS

Mexico's Central Bank, Regulator Release Card Rules

Mexico's central bank and its main financial regulator on Oct. 27 released new rules applicable to payment network systems in an effort to promote card payments, El Economista reported. The proposed regulations, up for public comment, aim to improve payment conditions for consumers and businesses, the newspaper reported. The regulations seek to establish a more efficient and competitive environment for card payment systems by lowering operating costs and setting clear rules in order to foster network interoperability, said the regulator, the National Banking and Securities Commission (CNBV), El Economista reported. The measures call for Mexico's government to define operating rules among the country's payments networks that conform to standards set by the International Organization for Standardization, a Geneva-based nongovernmental organization, the newspaper reported. The central bank and CNBV are also working on the new regulations in order to lower costs associated with the acceptance of card payments, which has the potential to benefit small businesses, El Economista reported. Lower fees could encourage a greater number of businesses to offer customers the ability to pay with cards and lower dependence on cash, the newspaper reported. The proposal also seeks to foster the sustained growth of payment card usage in Mexico. The use of payment cards in Mexico is expected to grow with a compound annual growth rate of more than 13 percent through 2027, Spain-based bank Santander said in a report last year.

CONSUMER CREDIT NEWS

Buy Now Pay Later Market in Region To Grow 27%: Report

The buy now pay later (BNPL) market in Latin America is expected to grow 27 percent this year as compared to last year to reach $16.2 billion, according to a report released Oct. 29 by Research and Markets. The BNPL market, in which consumers can purchase goods immediately but pay for them in installments, experienced strong growth from 2021 to 2024, achieving a compound annual growth rate of 40.4 percent, Research and Markets said in the report. The market is expected to see continued growth, achieving a compound annual growth rate of 20.9 percent between 2025 and 2030, the report said. It added that by the end of 2030, the sector is projected to grow to $41.7 billion. "Latin America's BNPL market is

NEWS BRIEFS

Citi to Establish Representative Office in Guyana

New York-based financial services group Citi announced Oct. 31 that it plans to establish a representative office in Guyana. "This strategic initiative is driven by Guyana's exponential economic growth, particularly in infrastructure and export financing, and its increasingly attractive investment climate," Citi said in a statement. Citi said that opening a representative office in the South American country will allow it to help its clients and partners to access global markets and also to support Guyana's growth, development and financial infrastructure.

Brazilian Central Bank Raises Capital Minimums for Financial Institutions

Brazil's central bank on Nov. 3 raised minimum capital requirements for financial institutions to 9.1 billion reais ($1.68 billion) from 5.2 billion, in new rules that could affect approximately 500 firms, Reuters reported. The framework, effective immediately and phased in through January 2028, bases capital needs on activities rather than classification and adds buffers for institutions using the term "bank." The move also seeks to close fintech loopholes and strengthen cybersecurity oversight, Reuters reported.

Clear Junction Launches New Service to Streamline Remittance Transactions

London-based cross-border payments provider Clear Junction has launched a new multi-country service with financial messaging network SWIFT to streamline remittance transactions in regions including Latin America, Finextra reported Nov. 4. The move will enable bulk payments through SWIFT-affiliated correspondent banks to shorten settlement times.

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evolving rapidly, shaped by financial inclusion efforts, e-commerce growth and macroeconomic pressures," Research and Markets said in a statement. "Inflationary instability in key markets drives demand for installment-based payments as consumers seek to stabilize their purchasing power," it added. Innovation in financial technology and digital transformation have allowed BNPL providers to expand offerings in both online and offline channels, the firm said. Regulatory oversight will also have an impact on market dynamics by encouraging responsible lending and transparency, the research firm said. "Providers that invest in compliance, risk management and strategic partnerships with regional e-commerce platforms and super apps will be well-positioned to lead the market over the next few years," the company said. The sector is "rapidly changing," with BNPL offerings in areas including travel, health care and financing for small and medium-sized enterprises, the firm said.

FINANCIAL TECHNOLOGY NEWS

Ant International Invests in Mexico City-Based R2

Ant International, a subsidiary of the online finance firm founded by Chinese billionaire Jack Ma, has invested an undisclosed sum in R2, a Mexico City-based firm that offers lending infrastructure to small and medium-sized businesses across Latin America, Bloomberg News reported Oct. 30, citing a statement from the firms. The companies did not disclose the size or terms of the capital injection, Bloomberg News reported. Singapore-based Ant International plans to streamline R2's financial services platforms by implementing "AI-powered tools" and reducing the firm's credit costs. "We will combine world-class risk management, AI-driven underwriting, and capital to bring inclusive credit at scale," said Roger Larach, R2's CEO. R2 operates in Brazil, Chile, Colombia, Mexico and Peru.

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Bre-B will accelerate formalization, expand the digital footprint of users and generate new data flows that can improve credit scoring and financial regulation. It will also challenge banks to innovate, as transaction fees decline and competition for customer engagement intensifies. Regulators will need to ensure robust cybersecurity, consumer protection and interoperability across providers to prevent market concentration and safeguard privacy. Ultimately, Bre-B positions Colombia within a regional trend toward open and instant payments ecosystems, aligning with broader goals of digital transformation, financial inclusion and efficient monetary policy transmission in Latin America's evolving fintech landscape."

Valentina Meneses, senior analyst and project manager at Americas Market Intelligence: "Bre-B marks a foundational shift in Colombia's payment infrastructure. For consumers, it means real-time, 24/7 transfers using simple identifiers like a phone number or ID, removing friction and boosting convenience. For businesses, it opens the door to lower-cost acceptance models—especially for micro and small merchants who are often excluded by traditional acquiring fees. Although early use cases are limited to person-to-person and person-to-merchant transactions, future phases will likely include payment requests, recurring payments and QR-based commerce. Adoption has been swift because it builds on behaviors already popularized by digital wallets during the pandemic: QR usage, cell phone-based transfers and a growing preference for real-time payments. Bre-B unifies these under an interoperable, bank-backed framework, with strong central bank support. Its impact on the financial sector will be significant. Banks, fintechs and acquirers must adapt quickly or risk losing relevance. New opportunities will emerge around embedded services: payment links, reconciliation, subscriptions and seamless merchant onboarding. At the same time, card schemes and acquirers will face pricing and innovation pressures, especially in the low-ticket segment. Bre-B won't eliminate cash or cards overnight—but it will intensify the competition for user attention, transactional volume and digital wallet share. Institutions that view Bre-B merely as a compliance requirement will fall behind. Those that leverage it as an innovation platform will define the next chapter of Colombia's payments ecosystem."

> **"Bre-B marks a foundational shift in Colombia's payment infrastructure."**
>
> **— Valentina Meneses**

Bruno Diniz, managing partner at Spiralem: "Colombia's new instant payment system, Bre-B, represents a strategic move to modernize the country's payment infrastructure and drive financial inclusion. With 30 million users registered at the time of its launch, the strong early adoption might be the result of regulatory push combined with clear public-sector messaging and a real demand for faster, cheaper and more accessible payment rails. Bre-B follows a model similar to Brazil's Pix in its standardized customer interface, using alias-based transfers (via phone, email or ID) to simplify the user experience. For consumers, this means free, instant payments 24/7. For merchants and small businesses, it unlocks faster settlement and broader reach, particularly for digital commerce and informal segments. Its development was supported by local and international partners, including Brazil's Dock, bringing proven expertise from other Latin American markets. In contrast to the Brazilian scenario prior to Pix, Colom-

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POLITICAL NEWS

Peru Breaks Diplomatic Relations With Mexico

Peru's government said Nov. 3 that it is breaking diplomatic relations with Mexico over its granting of asylum to former Peruvian Prime Minister Betssy Chávez, whom prosecutors have charged with rebellion, the Associated Press reported. Mexico's decision to grant Chávez asylum at its embassy in Lima amounted to an "unfriendly act" that adds to existing friction between the two governments, Peruvian Foreign Minister Hugo de Zela told reporters, the AP reported. Peruvian authorities have accused Chávez of participating in a failed effort in December 2022 by then-President Pedro Castillo to dissolve Congress as lawmakers were poised to remove him from office, the wire service reported. Castillo lacked support from the military for the move, and legislators swiftly ousted him. Castillo was jailed and has been detained since then. "Today we learned with surprise and deep regret that former Prime Minister Betssy Chávez, the alleged co-author of the coup d'état attempted by former President Pedro Castillo, is being granted asylum at the residence of the Mexican Embassy in Peru," De Zela told reporters Nov. 3. Peruvian President José Jerí's office said Mexico has committed "repeated" interference in Peru's internal affairs. Chávez was prime minister at the time of Castillo's ouster. Peru's attorney general has accused her of being an accomplice in a rebellion against the state's powers and has sought to imprison her for 25 years, the AP reported. She was imprisoned in June 2023, but a judge ordered her release last September, Reuters reported. Mexico's government said it regretted the Peruvian government's decision to sever diplomatic relations, the AP reported. "Mexico rejects Peru's unilateral decision as excessive and disproportionate in response to a legitimate act by Mexico consistent with international law, which in no way constitutes intervention in Peru's internal affairs," Mexico's foreign ministry said.

ADVISOR Q&A

Will a New Anti-Gang Measure Make Guatemala Safer?

Q Guatemala's Congress on Oct. 21 approved long-stalled legislation that lengthens sentences for convicted gang members, designates the Barrio 18 and Mara Salvatrucha (MS-13) gangs as terrorist organizations and orders the construction of a new prison to hold gang members. The legislation was approved following the escape of 20 gang members from a prison and the resulting resignations of three top security officials, including Interior Minister Francisco Jiménez. How will the anti-gang legislation affect Guatemala's fight against organized criminal groups? To what extent does organized crime—and related public corruption—represent a risk to the country's institutional stability? How does Guatemalan President Bernardo Arévalo's handling of organized criminal groups compare to that of other heads of state in the region, such as El Salvador's Nayib Bukele and Ecuador's Daniel Noboa?

A Salvador Paiz, president of Funsepa and board member of Fundesa in Guatemala City: "Guatemala's recently enacted anti-gang law (Decree 11-2025) represents a long-awaited strengthening of the country's security framework. By explicitly designating Barrio 18 and Mara Salvatrucha (MS-13) as terrorist organizations, the law elevates the fight against gangs to a national-security priority, allowing the use of counter-terrorism tools and coordination across institutions. It also creates an Extraordinary Interinstitutional Working Group—integrating the National Civil Police, penitentiary system, Public Ministry, human rights ombudsman and judicial branch—to address the gang problem systemically, alongside a prevention task force that engages the ministries of education, social development and culture to promote social reintegration and prevention. The law arrives at a critical juncture. Cocaine production in Colombia has reportedly increased tenfold over the past decade, and most U.S.-bound shipments now move through Central America, placing Guatemala at the heart of global trafficking routes. This intensifies pressure from both transnational gangs and drug-linked corruption networks seeking to capture state institutions. As Guatemala prepares in 2026 to appoint new leadership in the Supreme Electoral Tribunal, Constitutional Court, attorney general's office and comptroller's office, defending these institutions from illicit co-optation will be vital. Civil society initiatives such as Guatemala Visible play a crucial role in safeguarding their independence. The challenge now lies in implementation—ensuring that enhanced enforcement capacity does not slide into repression but strengthens the rule of law. Unlike El Salvador's militarized crackdown, President Arévalo's approach aims for balance: firm on crime, yet respectful of human rights and institutional integrity. Time, ultimately, will be the judge."

> **"The challenge now lies in implementation..."**
>
> **— Salvador Paiz**

EDITOR'S NOTE: More commentary on this topic appears in the Nov. 3 issue of the Latin America Advisor.

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NEWS BRIEFS

Mexico's Sheinbaum Defends Security Policies After Mayor's Killing

Mexican President Claudia Sheinbaum on Nov. 3 defended her government's security policies after the assassination of a mayor in Michoacán state, the Associated Press reported. Uruapan Mayor Carlos Alberto Manzo Rodríguez was fatally shot Nov. 1 during a Day of the Dead celebration in the town's historic center. Sheinbaum said that her government's policies have reduced the number of homicides. "Some are calling for militarization and war, as happened with the war on drugs. That didn't work," she said.

International Monetary Fund Approves $600 Mn Disbursement for Ecuador

The International Monetary Fund on Oct. 29 approved a $600 million loan to Ecuador's government, providing a boost to the administration of President Daniel Noboa as it faces rising social unrest and a battle against organized criminal groups. The IMF in May 2024 had agreed to a 48-month, $4 billion package for Ecuador; the funding facility was boosted to $5 billion this past July. Noboa won re-election to a full term as president in April.

Mexican Economy Shrinks by 0.2% in Third Quarter

Mexico's economy contracted by 0.2 percent on an annual basis in the third quarter, according to estimates released Oct. 30 by INEGI, Mexico's national statistics agency, Reuters reported. Industrial activity fell by 1.5 percent relative to the second quarter of this year, driving the economic slowdown. The decline offset growth of 3.2 percent in the Mexican economy's private sector. The third-quarter contraction marks the first year-on-year contraction in gross domestic product since 2021, according to the wire service.

ECONOMIC NEWS

Colombia's Central Bank Holds Key Interest Rate Steady

In a split decision on Oct. 31, Colombia's central bank voted to keep the country's benchmark interest rate unchanged at 9.25 after inflation increased in September, Bloomberg News reported. On the central bank's seven-member board, four voted to keep the key rate unchanged, while two favored a cut of a half percentage point and one called for a cut of a quarter point, Bloomberg News reported. The decision to keep the rate unchanged was in line with economists surveyed by the news service. Colombia's central bank has kept borrowing costs unchanged at all of its meetings this year, except for its April meeting in which it cut the benchmark interest rate by a quarter point. Board member Maurcio Villamizar had said last month that policymakers may need to consider a rate increase this year if inflation continues to rise, Bloomberg News reported.. The country's annual rate of inflation rose to 5.2 percent in September, a figure that barely changed from the beginning of this year; annual inflation was 5.1 percent in August. The largest contributors to the increase in September included higher prices for food, housing and transportation. The central bank predicts inflation of 4.25 percent at the end of next year; its inflation target is 3 percent, plus or minus one percentage point. The government of President Gustavo Petro has said it will boost the minimum wage next year in an effort to protect spending power, Bloomberg News reported.

Venezuelan Oil Exports Shrink by 26% in October

Venezuela's average daily crude oil export volume last month was 26 percent lower than the level recorded in September, Reuters reported Nov. 3, citing shipping data and private documents from Venezuelan state-run oil firm PDVSA. The slowdown was driven by a reduced supply of diluents, which Venezuela imports from Russia in order to turn its super-heavy crude into more marketable products, according to Reuters. Venezuela's daily crude export level was down 9 percent year-on-year. Eighty-two percent of Venezuela's oil exports last month went to China, accounting for cargoes directly purchased from PDVSA, as well as a number of intermediaries known to work with the state-run firm. Sixteen percent of Venezuelan crude oil exports, or 128,000 barrels per day, went to the United States on vessels chartered by Chevron, which resumed limited exports in September from the three active production ventures that it operates in Venezuela alongside PDVSA, Reuters reported. The administration of U.S. President Donald Trump earlier this year had revoked export authorization for a number of multinational oil firms that had operated in Venezuela under sanctions waiver licenses; Chevron is the only of those firms to have received a new license, albeit on a limited—and private—basis. Venezuela sent the remaining 2 percent of its oil exports in October to Cuba, according to Reuters. [Editor's note: See related **Q&A** in the Aug. 22 issue of the weekly Energy Advisor.]

Mayors Vow Action on Climate Change Ahead of COP30

Official programming began Nov. 3 ahead of the COP30 United Nations climate summit in the northern Brazilian city of Belém. Three hundred mayors from major global cities met in Rio de Janeiro to discuss local efforts to cut carbon emissions and address the effects of climate change, the Associated Press reported. At the meeting in Rio de Janeiro, 33 cities announced a collaborative program to share information on global warming mitigation strategies, according to the AP. Fifty U.S. cities sent representatives to the meeting. The U.S. federal government, however, will not be sending high-level representatives to any COP30 events, a White House official confirmed to Reuters.

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bia's starting point includes higher financial exclusion and cash usage, which also explains the urgency and potential impact. For financial institutions, Bre-B will push for interoperability, transparency and more competition at the infrastructure layer. Banks and fintechs that integrate early may gain a competitive edge, while those slow to adapt could see disintermediation. Overall, Bre-B signals a new chapter in Colombia's digital payments journey, one that mirrors broader regional momentum toward open, real-time financial systems—having the Brazilian case as a clear benchmark."

Beatrice Rangel, managing director of AMLA Consulting in Miami Beach: "For consumers, Bre-B is an entry door to the digital economy. Colombia exhibits a very disturbing trace in its development path. Fifty-six percent of Colombia's work force is employed by the informal economy. Informal jobs are poverty traps that secure survival but fail to generate opportunities to exit poverty and enter the middle classes. Additionally, 77.8 percent of transactions are conducted on cash basis in Colombia; this reflects a very low rate of banking usage. Without banking there is no credit, and without credit there is no growth. Accordingly, any measures taken by the authorities to create digital bridges and entry into the financial system are not only welcomed but overdue. Without these bridges, Colombians working in the informal sector will not be able to enter the digital economy and access credit to grow their small ventures. Add to the mix that banks and financial institutions in Colombia charge high transaction fees and you will understand why Bre-B had 30 million people subscribed before starting operations."

> **"For consumers, Bre-B is an entry door to the digital economy."**
>
> **— Beatrice Rangel**

The Advisor welcomes comments on its Q&A section. Readers can write editor Gene Kuleta.

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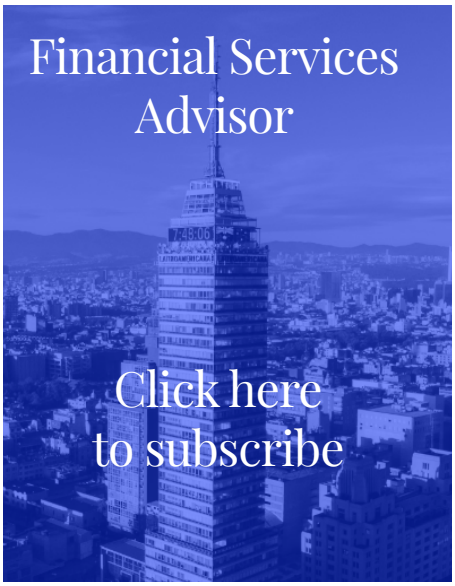
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