

Meta's WhatsApp trials SMB payments in Brazil to fuel international growth

Article

The news: Meta-owned WhatsApp rolled out its payments tools to select small and medium-sized businesses (SMBs) in Brazil, per Reuters. Its partners on the service include Mercado

Pago, Rede, and Cielo.

- The tool is available for merchants that use WhatsApp Business. Payments are enabled through the app via **Mastercard** and **Visa** debit or credit cards.
- Clients of WhatsApp's API, which serves mainly large businesses, will be able to receive payments in the future.

How we got here: WhatsApp ran into a regulatory quagmire ahead of its foray into payments in the country after regulators raised antitrust concerns. Brazil likely wanted to protect the government-run payment system **Pix**, which boasts **almost 132 million registered users**—about 62% of Brazil's population.

- WhatsApp got the green light to launch its peer-to-peer (P2P) payment service in April 2021 after a [temporary suspension](#).
- But it was still restricted from extending the service to merchants. Acquirers felt that proposed fees from WhatsApp were too low and expressed concerns about onerous legal terms.

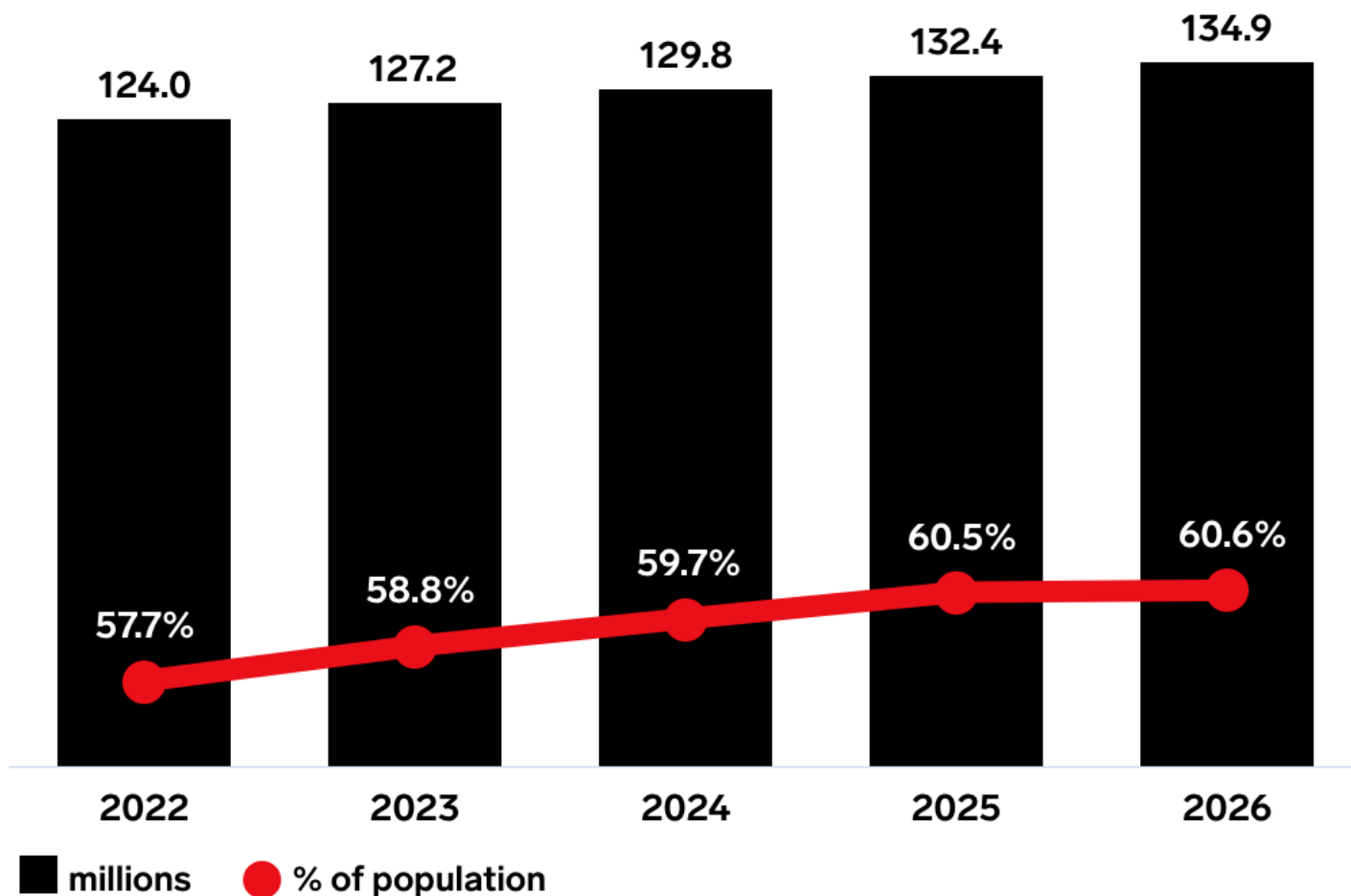
Now that WhatsApp has overcome these hurdles, it's well positioned to capture Brazil's growing mobile proximity payments: We expect **127.2 million people in Brazil will use WhatsApp** this year, [per](#) our forecast.

The bigger picture: Brazil is the first market to launch the service using the free version of WhatsApp Business. But WhatsApp's payment capabilities—both P2P transactions and business payments via the paid API—are also live in India, WhatsApp's largest market.

- There too, WhatsApp was stiff-armed by [regulators](#). It wasn't until May 2022 that the government extended WhatsApp's payment service to 100 million users—a small share of the **523.2 million people in India** expected to use the app this year, [per](#) Insider Intelligence forecasts.
- WhatsApp's determination in both Brazil and India may foreshadow expanding to more international markets. Making the payment service available for both P2P and consumer-to-business (C2B) transactions will help Meta boost payments volume and could create tighter ties with WhatsApp users.

WhatsApp Users

Brazil, 2022-2026



Note: mobile phone users of any age who access their WhatsApp account via mobile phone app at least once per month

Source: eMarketer, July 2022

eMarketer | InsiderIntelligence.com

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