

Mastercard teams up with Inswitch to expand digital payment solutions in Latin America

Article

The news: Mastercard partnered with US-based fintech as a service provider **Inswitch** to offer payment solutions and issuing programs to businesses across Latin America and the

Caribbean, per a press release.

What's Inswitch do? The cloud-based fintech's APIs let businesses create and manage digital wallets, accept local and global digital payments, issue cards, offer customer financing, and implement compliance solutions. Inswitch supports businesses across several industries—including banking, retail, and telecommunications—and is present in 30 countries across Latin America, the Caribbean, and Africa.

Why it's worth watching: Latin America is quickly digitizing thanks in part to fintechs like Inswitch, which help democratize access to digital financial services (including payments) for businesses and their customers.

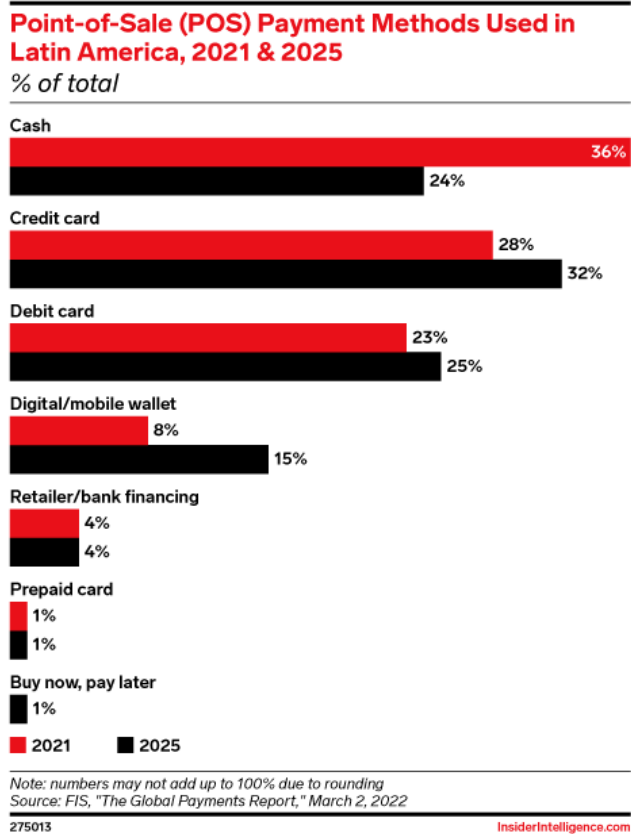
- The share of cash point-of-sale (POS) payments in Latin America **declined 5.3%** year over year (YoY) in 2021, [according to](#) FIS. And that share is expected to drop 33% between 2021 and 2025.
- Cards and mobile wallets have weakened cash's preeminence. **The number of proximity mobile payment users in Latin America is expected to hit 55.4 million in 2022**, up from 50.3 million last year, [per](#) Insider Intelligence forecasts. Neobanks and deepening mobile penetration have made these digital payment methods more accessible to businesses and consumers.
- [WhatsApp](#), [Western Union](#), and [Binance](#) are among the major companies tapping Latin America's payments market. But home-grown startups are also rising to the occasion: Chile-based **Xepelin**, which offers digital payment and financing solutions to small businesses, recently [secured](#) a \$140 million credit line from **Goldman Sachs** to help it expand in the region.

The opportunity: The partnership presents growth opportunities for both parties.

Inswitch can help Mastercard reach further into Latin America. The region accounted for about **7.4% of Mastercard's gross dollar value (GDV)** in [Q2](#)—worth \$151 billion. Mastercard views Latin America as a growth region that can help offset losses after withdrawing from Russia, co-president for international markets Ling Hai [told](#) Reuters in May. The tie-up can also help the firm keep pace with **Visa**, which has also [strengthened](#) its business in Latin America.

Mastercard's network can help Inswitch improve its business solutions. Issuing cards on Mastercard's network ensures that Inswitch's businesses and end customers can use their

cards virtually anywhere. Mastercard accounted for **40.7% of Latin America’s card payments** in 2021, per the Nilson Report, making it the second-largest card network in the region after Visa. Inswitch’s ties to Mastercard help it provide better card services, making it a more attractive fintech to work with.



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