

Going international to conquer new markets?



Payment for Crowdfunding platforms

AGENDA

- ▶ The boom of pan-european platforms
 - ▶ A non-unified regulation across Europe
 - ▶ Main concerns to go international
 - Managing multi-currencies
 - The risk of conversion rate
 - Accepting local means of payment
 - ▶ The choice of Mangopay to go international
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The boom of pan-european platforms



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THE BOOM OF PAN-EUROPEAN PLATFORMS

- ▶ Platforms are less and less operating locally since 2013
- ▶ Rewards Crowdfunding Platforms are the first to go international
Equity & Loan Crowdfunding Platforms still local because of strict & different regulations
- ▶ **Conquering market shares on crowdfunding emergening markets:**
 - Development of UK platforms towards the Euro zone (ex: crowdcube)
 - Development of French platforms towards non-euro countries in Europe where crowdfunding is low but emerging (Germany, Italy, Spain, Belgium)
 - Goal: Rely on their existing experience to be the 1st on these new markets
- ▶ **Attack leaders on their market**
Leading Platforms on the euro zone are launching their websites in the UK (ex: ulule)
- ▶ **In the next 2 years: boom of global platforms**
Leading platforms in the US are coming to Europe (ex: Kickstarter)

A non-unified regulation across Europe



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A NON-UNIFIED REGULATION ACROSS EUROPE

- ▶ In the UK, the FCA started consultations since 2013 and will adopt a law in 2014
 - ▶ Italy adopted a derogation regime in 2013
 - ▶ In France, reform defined on February 2014, final law in July 2014
 - ▶ Different rules across European Countries for Equity and Loan Crowdfunding
 - Ex: In France, contrary to the UK, equity and loan investment are not limited according to the contributor incomes
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Main concerns to go international



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MULTI-CURRENCY MANAGEMENT

- ▶ Project owner should be able to accept funds in its own currency
 - ▶ IBAN facilitate withdrawal of the funds in the SEPA zone
 - ▶ Platform should be able to accept local bank format to withdraw funds (outside Sepa)
 - ▶ Who is supporting the risk of the the conversion rate:
 - The platform
 - Contributor/Investor
 - Project owner
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ACCEPT LOCAL MEANS OF PAYMENT

- ▶ In France and in UK, main mean of payment is the debit/credit card with 80% of the transactions
- ▶ **Far from being the same behaviour in other european countries:**
 - Dutch use IDEAL for 54% of their payments
 - Germans prefer invoice payments before paying with credit cards (18%) and ELV (16%)
 - In Portugal, they use « Multibanco » for 30% of their payments
(They receive a code and need to validate the payment at a local ATM)
 - Belgium, the national cards Bancontact/Mister cash represent 30% of their transactions

ACCEPT LOCAL MEANS OF PAYMENT

- ▶ According to the country you operate, the transactions fees can be twice as much than the French price
 - ▶ The risk varies a lot according to the local means of payment that you activate:
ex.: ELV in Germany is a high risk as the contributor can cancel the transaction
 - ▶ Different type of chargeback exists according to the country you operate in
(in France only fraud chargeback exists)
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The choice of MANGOPAY to go international



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THE CHOICE OF MANGOPAY TO GO INTERNATIONAL

- ▶ 1 unique solution to launch your platform worldwide
- ▶ Licence granted by the CSSF passported in all countries in the EEA
- ▶ Guarantee that you respect the local regulation
- ▶ Accept payments worldwide with Visa/Mastercard
- ▶ Accept local means of payments across Europe
- ▶ Manage multi-currency (USD, GBP, CAD, SEK, NOK, DKK, ...)
- ▶ Easily manage the risk
- ▶ Unique pricing for EURO and unique pricing for other currencies

More infos : mangopay.com

Thanks

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