Starting a Retail Debt Program: the Dos and Don’ts

Paulo Moreira Marques
Head of Investor Relations Office

October, 2020
• Launched in 2002
• The main goal is financial education
• No funding purpose or intention to profit
• Using the same on-the-run instruments for debt roll-over
• In 2013, the Brazilian National Treasury hired an independent consultant to make a diagnosis of program bottlenecks
• Outsourced distribution structure

**Investor profile**
• Millennial generation, independent, connected and demanding consumers
Starting a retail debt program

1st step: what is the goal?
- Financing the public debt
- Democratizing access to public securities
- Financial education of society

2nd step: given the goal, what resources are available?
- Is sharing the wholesale structure with the retail program an option?
- Are budget resources available to invest (technology-intensive)?
- Is it possible to outsource part of the structure?
  - Outsourced distribution structure
    - Low cost; greater capillarity
  - Insourced distribution structure
    - More distribution control and flexibility
    - Less regulation and monitoring

3rd step: What form will the communication plan take?
- Outsourced?
- Will social media be an option?
Main mistakes to avoid

• Don’t expect the program to grow without improvements
  • Improvements and an intensive communication are needed
• It is important to align incentives among distributors within an outsourced structure
• A lean retail program structure, sharing wholesale structure, could create obstacles to investors
  • Products can be complex for investors
  • The communication channel may be ineffective
  • Improvements can be slow, for example, new IT systems, new communication processes

On the other hand:
• A lean structure could avoid expensive programs
• New IT systems (for payments and registration) have allowed insourced structures to overcome the cost
Developing a retail program – Outsourced structure

- It is important to be close to the distribution channel
- A third opinion (consultancy) may be important to achieve the potential growth
- Social media plays a significant role
  - It is important to monitor activity closely
- New technology can enhance the program and reduce the cost (App, payments and registration systems....)
- Understanding the investor’s demand is always a challenge
  - This guides the choice of a new technology or IT system
New investors per month

Source: Brazilian National Treasury
Thank You

For further information, see:


Or contact the Investor Relations Office:

brazildebt@fazenda.gov.br