



**भारतीय रिज़र्व बैंक**  
**RESERVE BANK OF INDIA**

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**RBI releases the Report of the Working Group on digital lending including lending through online platforms and mobile apps**

The Reserve Bank of India had constituted a Working Group (WG) on digital lending including lending through online platforms and mobile apps on January 13, 2021, with Shri Jayant Kumar Dash, Executive Director, RBI as the Chairman. The WG was set up in the backdrop of business conduct and customer protection concerns arising out of the spurt in digital lending activities. The WG has since submitted its [report](#). The thrust of the report has been on enhancing customer protection and making the digital lending ecosystem safe and sound while encouraging innovation. The following are a gist of the key recommendations:

- i) Subjecting the Digital Lending Apps to a verification process by a nodal agency to be setup in consultation with stakeholders.
- ii) Setting up of a Self-Regulatory Organisation (SRO) covering the participants in the digital lending ecosystem.
- iii) A separate legislation to prevent illegal digital lending activities.
- iv) Development of certain baseline technology standards and compliance with those standards as a pre-condition for offering digital lending solutions.
- v) Disbursement of loans directly into the bank accounts of borrowers; disbursement and servicing of loans only through bank accounts of the digital lenders.
- vi) Data collection with prior and explicit consent of borrowers with verifiable audit trails.
- vii) All data to be stored in servers located in India.
- viii) Algorithmic features used in digital lending to be documented to ensure necessary transparency.
- ix) Each digital lender to provide a key fact statement in a standardised format including the Annual Percentage Rate.

- x) Use of unsolicited commercial communications for digital loans to be governed by a Code of Conduct to be put in place by the proposed SRO.
- xi) Maintenance of a 'negative list' of Lending Service Providers by the proposed SRO.
- xii) Standardised code of conduct for recovery to be framed by the proposed SRO in consultation with RBI.

The Report is being placed on the RBI website today for comments of stakeholders and members of the public. Comments may be submitted by December 31, 2021 through [email](#). The comments will be examined before a final view is taken on the recommendations and suggestions made by the WG.

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