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Recommendations of the Working group on Digital Lending - Implementation

1. The Reserve Bank is statutorily mandated to operate the credit system of the country to its advantage¹. In this endeavour, the Reserve Bank has encouraged innovation in the financial system, products and credit delivery methods while ensuring their orderly growth, preserving financing stability and ensuring protection of depositors' and customers' interest. Recently, innovative methods of designing and delivery of credit products and their servicing through Digital Lending² route have acquired prominence. However, certain concerns have also emerged which, if not mitigated, may erode the confidence of members of public in the digital lending ecosystem. The concerns primarily relate to unbridled engagement of third parties, mis-selling, breach of data privacy, unfair business conduct, charging of exorbitant interest rates, and unethical recovery practices.
2. Against this background, the Reserve Bank had [constituted](#) a Working Group on 'digital lending including lending through online platforms and mobile apps' (WGDL) on January 13, 2021. The [report](#) submitted by the WGDL was [placed on the RBI website](#), inviting comments of stakeholders and members of the public. Taking into account the inputs received from diverse set of stakeholders, a regulatory framework to support orderly growth of credit delivery through digital lending methods while mitigating the regulatory concerns, has been firmed up. This regulatory framework is based on the principle that lending business can be carried out only by entities that are either regulated by the Reserve Bank or entities permitted to do so under any other law.
3. The universe of digital lenders is classified into three groups –
 - a. Entities regulated by the RBI and permitted to carry out lending business;
 - b. Entities authorized to carry out lending as per other statutory/regulatory provisions but not regulated by RBI;
 - c. Entities lending outside the purview of any statutory/ regulatory provisions.

The Reserve Bank's regulatory framework is focused on the digital lending ecosystem of RBI's Regulated Entities (REs) and the Lending Service Providers (LSPs)³ engaged by them to extend various permissible credit facilitation services. As regards entities falling in the second category [3(b) above], the respective regulator/ controlling authority may consider formulating or enacting appropriate rules/regulations on digital lending based on the recommendations of WGDL. For the entities in the third category [3(c) above], the WGDL has suggested specific legislative and institutional interventions for consideration by the Central

¹ Reserve Bank of India Act, 1934, Preamble.

² A remote and automated lending process, majorly by use of seamless digital technologies in customer acquisition, credit assessment, loan approval, disbursement, recovery, and associated customer service.

³ An agent of a Regulated Entity who carries out for a fee from the RE, one or more of lender's functions in customer acquisition, underwriting support, pricing support, disbursement, servicing, monitoring, collection, recovery of specific loan or loan portfolio.

Government to curb the illegitimate lending activity being carried out by such entities.

4. In the above backdrop, RBI has examined the recommendations⁴ made by the WGDL. Recommendations accepted for immediate implementation and the consequent regulatory stance are enclosed as [Annex-I](#). Certain highlights of the requirements being mandated to be followed by REs, their LSPs, Digital Lending Apps (DLAs)⁵ of REs, DLAs of LSPs engaged by REs, are as follows:

a. Customer Protection and Conduct Issues –

- i. All loan disbursements and repayments are required to be executed only between the bank accounts of borrower and the RE without any pass-through/ pool account of the LSP or any third party.
- ii. Any fees, charges, *etc.*, payable to LSPs in the credit intermediation process shall be paid directly by RE and not by the borrower.
- iii. A standardized Key Fact Statement (KFS) must be provided to the borrower before executing the loan contract.
- iv. All-inclusive cost of digital loans in the form of Annual Percentage Rate (APR)⁶ is required to be disclosed to the borrowers. APR shall also form part of KFS.
- v. Automatic increase in credit limit without explicit consent of borrower is prohibited.
- vi. A cooling-off/ look-up period during which the borrowers can exit digital loans by paying the principal and the proportionate APR without any penalty shall be provided as part of the loan contract.
- vii. REs shall ensure that they and the LSPs engaged by them shall have a suitable nodal grievance redressal officer to deal with FinTech/ digital lending related complaints. Such grievance redressal officer shall also deal with complaints against their respective DLAs. The details of the Grievance redressal officer shall be prominently indicated on the website of the RE, its LSPs and on DLAs, as applicable.
- viii. As per extant RBI guidelines, if any complaint lodged by the borrower is not resolved by the RE within the stipulated period (currently 30 days), he/she can lodge a complaint under the Reserve Bank – Integrated Ombudsman Scheme (RB-IOS)⁷.

b. Technology and Data Requirements

- i. Data collected by DLAs should be need based, should have clear audit trails and should be only done with prior explicit consent of the borrower.
- ii. Option may be provided for borrowers to accept or deny consent for use of specific data, including option to revoke previously granted consent, besides option to delete the data collected from borrowers by the DLAs/ LSPs.

⁴ The word 'recommendations' refers to both recommendations and suggestions of WGDL.

⁵ Mobile and web-based applications with user interface that facilitate borrowing by a borrower from a digital lender. DLAs will include apps of the REs as well as operated by LSPs which are engaged by REs for extension of any credit facilitation services.

⁶ APR shall be based on an all-inclusive cost and margin including cost of funds, credit cost and operating cost, processing fee, verification charges, maintenance charges, *etc.*, except contingent charges like penal charges, late payment charges, *etc.* APR must be disclosed to the borrower upfront as part of the Key Fact Statement (KFS).

⁷ https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=52549

c. Regulatory Framework

- i. Any lending sourced through DLAs (either of the RE or of the LSP engaged by RE) is required to be reported to Credit Information Companies (CICs) by REs irrespective of its nature or tenor.
 - ii. All new digital lending products extended by REs over merchant platforms involving short term credit or deferred payments are required to be reported to CICs by the REs.
5. Recommendations, though accepted in-principle, which require further examination are listed as [Annex-II](#).
 6. Recommendations which require wider engagement with the Government of India and other stakeholders in view of the technical complexities, setting up of institutional mechanism and legislative interventions are listed in [Annex-III](#).
 7. All the regulated entities of RBI are advised to be guided by the regulatory stance conveyed in this press release. It shall be noted that any kind of outsourcing arrangement involving a RE and LSPs/DLAs shall be subject to the extant guidelines on outsourcing⁸. The REs are advised to ensure that the LSPs/DLAs also implement the requirements set out in [Annex-I](#), as applicable and the onus of ensuring implementation of the requirements will rest with the REs. Detailed instructions will be issued separately.

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(Yogesh Dayal)
Chief General Manager

⁸ Para 2.6 of the [Master Circular on "Loans and Advances – Statutory and Other restrictions" dated July 01, 2015](#), Guidelines on Managing Risks and Code of Conduct in Outsourcing of Financial Services by Banks issued *vide* [Circular dated November 03, 2006](#) as amended from time to time, Para 120 and 120 A of ["Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company \(Reserve Bank\) Directions, 2016"](#) dated September 01, 2016, Para 106 and 106A of the ["Master Direction - Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company \(Reserve Bank\) Directions, 2016"](#) both dated September 01, 2016, ["Guidelines for Managing Risk in Outsourcing of Financial Services by Co-operative Banks"](#), dated June 28, 2021 and other related instructions issued by the Reserve Bank from time to time.

Recommendations accepted for Immediate Implementation

| Para of the WGD Report for Reference | Gist of Recommendation/ suggestion | Status and future course of action |
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| A: Customer Protection & Conduct Requirements | | |
| (3.4.1.2) | <p>i) Direct execution of loan servicing, repayment etc. in a bank account of the balance sheet lenders and disbursements into the bank account of the borrower. Borrowers having only PPI account, and no bank account, can be disbursed loan in fully KYC compliant PPIs</p> <p>ii) Any fees etc. payable to LSPs to be paid by the lenders, and not received by them directly from the borrower</p> | <p>i) REs have to ensure that all loan servicing, repayment, etc., shall be executed directly in their bank account without any pass-through account/ pool account of any third party. The disbursements shall always be made into the bank account of the borrower. Exceptions would be considered for disbursements covered exclusively under statutory or regulatory mandate, flow of money between REs for co-lending transactions, and disbursements where loans are mandated for specified end-use as per regulatory guidelines of RBI or of any other regulator.</p> <p>ii) REs to ensure that any fees, etc. payable to LSPs is paid directly by them (REs) and are not charged by LSP to the borrower directly.</p> |
| (5.4.3.1) | Standard definitions for the cost of digital Short Term Consumer Credit (STCC)/ micro credit as Annual Percentage Rate (APR) | All-inclusive cost of digital loans as an Annual Percentage Rate (APR) to be disclosed upfront by REs. |
| (4.4.1.3) | Each DLA owner, | i) REs shall ensure that they and the |

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| | <p>including relevant LSPs, should have a suitably competent nodal officer to deal with FinTech related issues</p> | <p>LSPs engaged by them shall have a suitable nodal grievance redressal officer to deal with FinTech/ digital lending related complaints/ issues raised by the borrowers. Such grievance redressal officer shall also deal with complaints against their respective DLAs. Contact details of such officers shall be displayed on the website of the RE, its LSPs and on DLAs prominently and also in the KFS provided to the borrower. Further, information on the mode of lodging complaint shall also be available on the DLA and on the website. It is reiterated that responsibility of grievance redressal shall continue to remain with the RE.</p> <p>ii) As per extant RBI guidelines, if any complaint lodged by the borrower is not resolved by the RE within the stipulated period (currently 30 days), he/she can lodge a complaint over the Complaint Management System (CMS) portal or other prescribed modes under the Reserve Bank-Integrated Ombudsman Scheme (RB-IOS).</p> |
| <p>(5.4.1.3)/ (4.4.1.3)</p> | <p>i) Key fact statement (KFS) in standardized format for all digital lending products</p> | <p>i) REs to provide a Key Fact Statement (KFS) to the borrower before the execution of the contract in standardized format for all digital lending products. Any</p> |

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| | <p>ii) Digitally signed documents supporting important transactions through DLAs should automatically flow to registered/verified email of the borrower</p> | <p>fees, charge, etc., which is not mentioned in the KFS cannot be charged by the REs to the borrower at any stage during the term of the loan. The KFS, apart from other necessary information, shall contain the following:</p> <ol style="list-style-type: none"> a. Details of APR, b. Terms and Conditions of recovery mechanism, c. Details of grievance redressal officer designated specifically to deal with digital lending/ FinTech related matter, d. Cooling-off/ look-up period. <p>Till the time the format of KFS is prescribed, the format given in Annex II to the Master Direction - Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022 dated March 14, 2022, can be used to the extent applicable.</p> <p>ii) REs to ensure that digitally signed documents supporting important transactions through DLAs of REs/LSPs, such as KFS, summary of product, sanction letter, terms and conditions, account statements, privacy policies of the LSPs with respect to borrowers' data, etc., shall automatically flow from the lender to the registered/verified email/ SMS of the</p> |
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| | | borrower upon execution of the loan contract/ transactions. |
| (5.4.2.2) | Prohibition on automatic increases in credit limits except with customer's explicit consent. | REs to ensure that automatic increases in credit limits are prohibited unless explicit consent of borrower is taken on record for each such increase. |
| (3.4.2.4) | Publishing the list of LSPs engaged by REs on their website. | REs shall publish the list of LSPs (and DLAs, if any) engaged by them along with the details of the activities for which they have been engaged, on their website. |
| (5.4.2.1) | Lenders to capture the economic profile of borrower and assess the borrower's creditworthiness in an auditable way | REs may capture the economic profile of the borrowers (age, occupation, income etc) before extending any loans over DLAs, with a view to assess the borrower's creditworthiness in an auditable way. |
| (5.4.1.2) | <ul style="list-style-type: none"> i) A cooling off/ look-up period of certain days for all digitally obtained loans ii) Education to users at on-boarding/sign-up stage about the product features by DLAs. | <ul style="list-style-type: none"> i) A cooling off/ look-up period as determined by the Board of RE shall be given to borrowers for exiting digital loans in case borrower decides to not continue with the loan during that period, by paying the principal and proportionate APR without any penalty. For borrowers continuing with the loan even after look-up period, pre-payment shall continue to be allowed as per extant RBI guidelines⁹ on the matter. ii) REs to ensure that their DLAs or DLAs of their LSPs at on-boarding/sign-up stage, |

⁹ In terms of [Circular DBR.Dir.BC.No.08/13.03.00/2019-20](#) for banks and [DNBR \(PD\) CC.No.101/03.10.001/2019-20](#) for NBFCs on "Levy of Foreclosure Charges /Pre-payment Penalty on Floating Rate Term Loans", both dated August 02, 2019.

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| | | <p>prominently display information relating to the product features, loan limit and cost, etc. so as to make the borrowers aware about these aspects.</p> |
| (5.4.4.3) | <ul style="list-style-type: none"> i) Enhanced due diligence by the Balance Sheet Lenders before entering into partnership with an LSP ii) Communication from the lender to the borrower about the details of LSPs who have sourced the loan and prior communication about the LSP entrusted with recovery iii) Periodic review of the conduct of the LSPs engaged in recovery iv) Standardized code of conduct for recovery to be framed by the proposed SRO in consultation with RBI. | <ul style="list-style-type: none"> i) REs must conduct enhanced due diligence process before entering into a partnership with a LSP for digital lending, taking into account its technical abilities, data privacy policies and storage systems, fairness in conduct with borrowers and ability to comply with regulations and statutes. ii) REs to ensure that LSPs engaged by them do not store personal information of borrowers except for some basic minimal data (viz. name, address, contact details of the customer, etc.) that may be required to carry out their operations. Responsibility regarding data privacy and security of the customer's personal information will be of the RE. iii) REs to communicate to the borrower, at the time of sanctioning of the loan and also at the time of passing on the recovery responsibilities to an LSP or change in the LSP responsible for recovery, the details of the LSP acting as recovery agent who is authorised to approach the borrower for recovery. |

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| | | <p>iv) REs should carry out periodic review of the conduct of the LSPs engaged by them.</p> <p>v) REs should impart necessary guidance to LSPs acting as recovery agents to discharge their duties responsibly. Further, standardized code of conduct for recovery is envisaged to be framed by the proposed SRO in consultation with RBI. Till the time SRO is set-up, guidance on fair recovery practices to be issued to REs by RBI.</p> |
| (3.4.3.2) | <p>i) Regular agenda in SLCC covering reports on unauthorized apps in the market involved in digital lending</p> <p>ii) Induction of TRAI as member/ need based invitee to SLCC</p> | <p>i) There shall be a regular agenda at State Level Coordination Committee (SLCC) meetings covering reports on unauthorized apps in the market involved in digital lending/ illegal recovery and such other types of activities.</p> <p>ii) Need based invitation to TRAI will be taken up with TRAI by the RBI.</p> |
| B: Technology & Data Requirements | | |
| (4.4.3.1) | <p>i) Policy on customer consent</p> <p>ii) Clear policy guidelines regarding the storage of data. No biometric data</p> | <p>Requirements on data collection and usage:</p> <p>i) Any collection of data by DLAs should be need-based and with prior and explicit consent of the borrower which can be audited, if required. In any case, DLAs</p> |

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| | <p>related to customer due diligence should be stored in the systems associated with the DLA</p> <p>iii) DLA should make its comprehensive privacy policy available in public domain.</p> <p>iv) Details of any third parties, that are allowed to collect personal information via DLA, have also to be disclosed.</p> <p>v) Standards for handling security breach.</p> | <p>should desist from accessing mobile phone resources such as file and media, contact list, call logs, telephony functions, etc. A one-time access can be taken for camera, microphone, location or any other facility necessary for the purpose of on-boarding/ KYC requirements only with the explicit consent of the borrower.</p> <p>ii) The borrower should be provided with an option to give or deny consent for use of specific data, restrict disclosure to third parties, data retention, revoke consent already granted to collect his personal data and if required, make the app delete/ forget the data.</p> <p>iii) REs shall ensure that DLAs have a comprehensive privacy policy compliant with applicable laws, associated regulations and RBI guidelines. For access and collection of personal information of borrowers, DLAs of REs/LSPs should make the comprehensive privacy policy available publicly. The purpose of obtaining borrowers' consent needs to be disclosed at each stage of interface with the borrowers.</p> |
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| | | <p>iv) Details of third parties that are allowed to collect personal information through the DLA shall also be disclosed in the privacy policy. Further, explicit consent of the borrower shall be taken before sharing personal information with any third party, except for cases where such sharing is required as per statutory or regulatory requirement.</p> <p>v) Clear policy guidelines regarding the storage of customer data including the type of data that can be held, the length of time data can be held, restrictions on the use of data, data destruction protocol, standards for handling security breach, etc., shall also be disclosed by DLAs prominently on their website and app at all times. No biometric data should be stored/ collected in the systems associated with the DLA of REs/ their LSPs, unless allowed under extant statutory guidelines.</p> |
| (4.4.1.3) | <p>i) Each DLA should have links to its own secured website to display various information required by the borrowers</p> | <p>i) REs to ensure that DLAs of REs/LSPs should have links to REs' website where further/ detailed information about the loan products, the lender, the LSP, particulars of customer care, link to Sachet Portal, privacy policies,</p> |

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| | <p>ii) Compliance with various basic technology standards/ requirements on cybersecurity should be a pre-condition to offer digital lending by the REs and LSPs providing support to REs</p> | <p>etc. can be accessed by the borrowers.</p> <p>ii) Compliance with various technology standards/ requirements on cybersecurity stipulated by RBI or other agencies, or as may be specified from time to time, to be a pre-condition to offer digital lending by the REs and LSPs.</p> |
| (4.4.2.2) | Data should be stored in servers located in India | REs to ensure that all data is stored in servers located within India while ensuring compliance with statutory obligations/ regulatory instructions. |
| C: Regulatory Framework | | |
| (3.4.1.4)/ (3.4.1.2) | <p>i) Reporting of lending done by REs through DLAs to CICs</p> <p>ii) Treating new digital lending products such as BNPL etc. as part of lending, if not in the nature of operational credit by merchants</p> | <p>i) REs to ensure that any lending done through DLAs is reported to CICs irrespective of its nature/ tenor.</p> <p>ii) Extension of new digital lending products by REs over a merchant platform involving short term, unsecured/ secured credits or deferred payments need to be reported to credit bureaus by the REs. REs shall ensure that LSPs, if any, associated with such deferred payment credit products shall abide by the extant outsourcing guidelines issued by the Bank and be guided by the contents of this press release.</p> |

Recommendations accepted in-principle which require further examination

| Para of the WGD Report for Reference | Status and future course of action |
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| A: Customer Protection & Regulatory Conduct Requirements | |
| (3.4.1.4) | Each access/ enquiry of credit information by any RE or LSP from Credit Information Companies shall be conveyed to the borrower through email/ SMS. |
| (5.4.2.2) | Scope of the Financial Literacy Centres, Centre for Financial Literacy and Electronic Banking Awareness and Training Programmes (E-baat) to be expanded to include digital lending. |
| B: Technology & Data Requirements | |
| (3.4.3.3) | <ul style="list-style-type: none"> i) 'Travel rules'¹⁰ need to be refined for better comprehension of the payment transaction. ii) Banks shall monitor accounts regularly operated from a different/ overseas IP address which is not consistent with the KYC profile of the account holder. |
| (4.4.2.1) | <ul style="list-style-type: none"> i) RBI to lay down baseline technology standards for DLAs which will include: <ul style="list-style-type: none"> a. Secure application logic i.e. technical specifications of the DLA to ensure security of applications running on mobile phones, proper authentication, input validation, clear access rules, measures to ensure protection of sensitive data, etc. b. Keeping auditable log of every action that user performs along with their IP address and device information c. Monitoring of transactions being undertaken through DLA d. Multi-step approval for critical activities undertaken on the DLA ii) DLAs should mandatorily reflect these standards in the terms of |

¹⁰ Narration of payment transactions through any digital mode i.e. information collected, retained and involved in fund transfer transactions initiated on behalf of customer

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| | service. Further it should be ensured that apps have specific technological safeguards to prevent frauds like sanction of loans on stolen identity, data breaches, etc. |
| (4.4.2.3) | <p>i) REs to ensure that the algorithm used for underwriting is based on extensive, accurate and diverse data to rule out any prejudices. Further algorithm should be auditable to point out minimum underwriting standards and potential discrimination factors used in determining credit availability and pricing.</p> <p>ii) Digital lenders should adopt ethical AI which focuses on protecting customer interest, promotes transparency, inclusion, impartiality, responsibility, reliability, security and privacy.</p> |
| (4.4.3.2) | REs to ensure measures related to data privacy and security at the end of SMS gateways/ SMS service providers before onboarding them. |
| C: Regulatory Framework | |
| (3.4.3.1) | The recommendation pertaining to First Loss Default Guarantee (FLDG) is under examination with the Reserve Bank. Meanwhile, REs shall ensure that financial products involving contractual agreement, in which a third party guarantees to compensate up to a certain percentage of default in a loan portfolio of the RE, shall adhere to the extant guidelines laid down in Master Direction – Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021 dated September 24, 2021 . Boards of REs shall ensure that the extant regulatory instructions are complied with in both letter and spirit. |
| (3.4.1.3) | Regulatory framework for web-aggregator of loan products to be framed. |
| (3.4.3.2) | In order to pre-empt any unscrupulous practice by NBFCs, who have been granted Certificate of Registration with provision of digital lending but who have not been carrying out such activity for a reasonably long period, their Certificate of Registration may be reviewed with an appropriate supervisory follow-up. |
| (3.4.4.1) | Appropriate periodical returns from REs may include digital lending data and (attempted) frauds in digital lending space so as to specifically capture crucial MIS. |
| D: Legal & Institutional Framework | |
| (3.4.2.4, 3.4.1.2, | A Self-Regulatory Organisation (“SRO”) covering REs and DLAs/LSPs in the digital lending ecosystem to be set up which will take up following |

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| <p>5.4.1.1, 5.4.1.3, 5.4.4.2, 5.4.4.3)</p> | <p>functions along with others as specified:</p> <ul style="list-style-type: none"> i) framing a code of conduct for recovery ii) framing a model standardised LSP agreement for balance sheet lenders iii) to put in place a Code of Conduct for responsible advertising and marketing standards, to be adopted by all the DLAs. iv) frame institutional mechanism for training and accreditation of recovery agents in consultation with RBI. v) maintaining 'negative list' of LSPs which are non-compliant with regulatory and statutory provisions, engaged in unfair practices including but not limited to use of false statements, harassment, unauthorized sharing of credit information, etc. |
| <p>(5.4.4.3)</p> | <p>REs are required to report LSPs engaged in unfair practices or in breach of regulatory norms to SRO for inclusion in negative list.</p> |
| <p>(5.4.1.1)</p> | <p>DLAs are required to adopt responsible advertising and marketing standards and should refrain from making misleading claims.</p> |

Recommendations for consideration of the Government of India

| Legal & Institutional Framework | |
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| Para of the WGD Report for Reference | Gist of the Recommendations |
| (3.4.1.1) | Balance Sheet Lending using DLAs to be restricted to REs of RBI and to entities registered under any other law for specifically undertaking lending business. |
| (3.4.2.5) | Government may consider framing a legislation for Banning of Unregulated Lending Activities (BULA) which would cover all entities not authorized by RBI and not registered under any other law for specifically undertaking public lending. |
| (3.4.2.1)/ (4.4.2.1) | To ensure that only authorised and trusted DLAs are used by consumers, an independent body styled as Digital India Trust Agency (DIGITA) should be set up. DIGITA shall discharge the functions of verifying DLAs before such apps can be publicly distributed through app store. Eligible apps not carrying the 'verified' signature of DIGITA should be considered as unauthorized for the purpose of law enforcement. |
| (3.4.3.3) | To ensure information sharing on unscrupulous DLA and lenders, it is proposed that: <ul style="list-style-type: none"> i) relevant inputs from proposed Digital Intelligence Unit of Government, existing Telecom Analytics for Fraud Management and Consumer Protection, Telecom Commercial Communications Customer Preference Regulations 2018 are made available to respective supervisors of digital lending segment of FinTech and their REs, to help them in enhanced due diligence. ii) Setting up of a National Financial Crime Record Bureau, like National Crime Records Bureau, with a data registry similar to crime and criminal tracking network and systems, which is accessible to REs. |

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| | <ul style="list-style-type: none"> iii) Exploring leveraging of the channel of Financial Intelligence Network (FINNET) of Financial Intelligence Unit – India (FIU-IND) for supplementing the due diligence/ onboarding of borrowers and LSPs by REs. iv) The local law enforcement/ police agencies must proactively carry out surveillance so that no unauthorized call center operates in, or spoofing/ conversion of VoIP to GSM calls, etc. originate from sites under their jurisdictions. |
| (3.4.3.2) | <ul style="list-style-type: none"> i) The KYC rigor for issuance of new/ replacement SIM cards should be strengthened and the mobile network operators should be held accountable for any violation and shortcomings. ii) For early identification of shell finance companies and finance companies with proxy directors or opaque beneficial owners: <ul style="list-style-type: none"> a) Registrar of Companies may consider enhancing the use of digital technology and multiple data sources which should be followed up with suitable action as per law or reference to concerned agency for further action. b) Registrar of Companies may also consider making suitable arrangements for real time data sharing with RBI on the de-listing of such shell companies to enable RBI to take further action. |