

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
RAJYA SABHA
UNSTARRED QUESTION NO-1332
ANSWERED ON 1st AUGUST, 2023 / SRAVANA 10, 1945 (SAKA)

REGULATION OF DIGITAL PAYMENTS AND DIGITAL LENDING AGENCIES

1332. SHRI NARAYANA KORAGAPPA

Will the Minister of FINANCE be pleased to state:-

- (a) whether digital payments and digital lending agencies are under regulatory control of the RBI;
- (b) whether Government is aware that Peer-to-Peer (P2P) lending startups are coming up;
- (c) whether P2P are regulated under NBFC regulations or are following the digital lending rules which came into force from September, 2022;
- (d) whether P2P are sharing business updates regularly with the RBI; and
- (e) if so, the details thereof?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(DR. BHAGWAT KARAD)

(a) to (e): As per the Payment and settlement Act, 2007, RBI is the designated authority for the regulation and supervision of payment systems under this Act. No person shall commence or operate a payment system except under and in accordance with an authorisation issued by the Reserve Bank under the provisions of this Act. Further, all the regulated entities (REs) of Reserve Bank of India (RBI), their Lending Service Providers (LSPs) engaged by them to extend various permissible credit facilitation services, Digital Lending Apps (DLAs) of REs, DLAs of LSPs engaged by REs are mandated to follow Guidelines on Digital Lending issued by RBI on September 02, 2022.

Peer-to-Peer (P2P) lending is a regulated activity in India as per Reserve Bank of India (RBI) Master Directions - Non-Banking Financial Company – Peer to Peer Lending (NBFC-P2P) Platform (Reserve Bank) Directions, 2017. These Directions are applicable to every Non-Banking Financial Company which carries on the business of Peer to Peer Lending Platform. These Directions provide a framework to regulate the functioning of P2P lending platforms in India. Currently, 25 NBFC-P2P are registered with RBI.

As per reporting requirement of the said Master Direction, business reporting by NBFC-P2P includes, *inter alia*, number and amount in respect of loans disbursed during the quarter, closed during the quarter, outstanding at the beginning and at the end of the quarter, including the number of lenders and borrowers outstanding as at the end of the quarter.
