



## PRESS RELEASE

### ENACTMENT OF THE LAW TO REGULATE DIGITAL LENDERS AND ISSUANCE OF THE CORRESPONDING DRAFT REGULATIONS FOR PUBLIC COMMENT

Following Presidential assent on December 7, 2021, the Central Bank of Kenya (Amendment) Act, 2021, has become effective today, December 23, 2021. The Amendment provides the Central Bank of Kenya (CBK) with the powers to license and oversight the previously unregulated digital credit providers. This is a significant milestone. Correspondingly, CBK announces the issuance of draft *Digital Credit Providers Regulations* and invites public comments.

With the recent advances in technology and ongoing innovations, lending through digital channels, particularly mobile phones, has grown significantly in Kenya. However, concerns have been raised by the public about the predatory practices of the unregulated digital credit providers, and in particular, their high cost, unethical debt collection practices, and the abuse of personal information.

The Amendment requires CBK to publish *Regulations* within three months, i.e., by March 23, 2022, and accordingly CBK has developed the draft *Regulations* for public consultation. The *Regulations* provide for *inter alia* the licensing, governance, and credit operations of Digital Credit Providers (DCPs). They further provide for consumer protection, credit information sharing, and elaborate on the Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) obligations of DCPs.

In line with the public participation requirements, CBK invites interested members of the public to provide comments on the draft *Regulations* that can be downloaded from the Central Bank of Kenya [website](#). The written submissions or representations may be forwarded to the Director, Bank Supervision, P.O. Box 60000-00200, Nairobi; hand-delivered to the Central Bank of Kenya Headquarters, Haile Selassie Avenue, Nairobi; or emailed to [fin@centralbank.go.ke](mailto:fin@centralbank.go.ke); to be received not later than **Friday, January 21, 2022, at 5.00 p.m.**

Additionally, in order to facilitate an orderly transition to a regulated environment, CBK requests all (unregulated) DCPs to provide their business details through the link indicated below, <https://www.centralbank.go.ke/dcpdetails/> by **January 21, 2022**.

Finally, we acknowledge determined efforts by the late Hon. John Oroo Oyoka, former Member of Parliament for Bonchari Constituency, who was the initial mover of the legislation to regulate the DCPs. The late Hon. Oyoka was passionate about putting in place legislation that would enable Kenyans benefit from a fair and well-regulated digital credit market. May his soul rest in eternal peace.

We also wish to acknowledge the Hon. Gladys Wanga, Member of Parliament, and the National Assembly *Departmental Committee on Finance and National Planning*, for taking up the legislation and steering it to its conclusion.

CENTRAL BANK OF KENYA

December 23, 2021