



PRESS RELEASE

PUBLICATION OF REGULATIONS FOR DIGITAL CREDIT PROVIDERS AND COMMENCEMENT OF THEIR SUPERVISION

The Central Bank of Kenya (CBK) announces the publication by Legal Notice No. 46 of March 18, 2022, of the Central Bank of Kenya (Digital Credit Providers) Regulations, 2022 (the *Regulations*). The *Regulations* were issued pursuant to Sections 57(1), 57(3) and 57(4) of the Central Bank of Kenya Act (the CBK Act). They provide for the licensing and oversight of previously unregulated Digital Credit Providers (DCPs). The *Regulations* are now operational.

The *Regulations* seek to address concerns raised by the public given the recent significant growth of digital lending particularly through mobile phones. These concerns relate to the predatory practices of the previously unregulated digital credit providers, and in particular, their high cost, unethical debt collection practices, and the abuse of personal information. The *Regulations* provide for *inter alia* the licensing, governance, and lending practices of DCPs. They also provide for consumer protection, credit information sharing, and outline the Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) obligations of DCPs.

These *Regulations* have been developed through a consultative process. The Central Bank of Kenya (Amendment) Act, 2021, came into effect on December 23, 2021, and [CBK invited public comments](#) on the draft *Regulations* up to January 21, 2022.

Consequently, in accordance with Section 59(2) of the CBK Act, all previously unregulated DCPs are required to apply to CBK for a license within six months of the publication of the *Regulations*, i.e., by **September 17, 2022, or cease operations**. The licensing requirements for DCPs can be accessed [here](#).

CBK will continue working with all stakeholders to ensure that the *Regulations* work for and with Kenyans, and in line with best global practices.

CENTRAL BANK OF KENYA

March 21, 2022