



SECURITIES AND EXCHANGE OF PAKISTAN
Specialized Companies Division
Policy, Regulation and Development Department

No. SC/NBFC-1-196/Circular/2023/ 74

March /0 , 2023

Circular No. 3 of 2023

Subject: Requirements for NBFCs relating to digital lending

The Securities and Exchange Commission of Pakistan (the "Commission") has noted a recent trend whereby a number of un-authorized Apps/online platforms have been engaged in digital lending posing themselves as Non-Banking Finance Companies (NBFCs). Furthermore, such un-authorized Apps/online platform providers are also approaching different licensed NBFCs for collaboration to offer their unauthorized and unapproved apps/platforms for digital lending purposes.

2. The Commission has serious concerns on the use of licensed NBFCs by such unauthorized/unlicensed platforms and apps. The Commission, therefore, in exercise of the powers conferred under sub-section (3) of section 282B of the Companies Ordinance, 1984 (XLVII of 1984), hereby directs all NBFCs to abstain from engaging in any kind of app integration, app sub-letting, license sub-letting, payment services, credit scoring & credit worthiness check, and/or any other type of integration services or collaboration with any digital lending App that is not approved by the SECP in terms of Circular 15 of 2022 dated December 27, 2022. NBFCs are also required to take necessary measures to create awareness among their customers about inherent risks and illegality of such unauthorized lending Apps.

3. This Circular shall come into force immediately and any non-compliance shall attract the penal provisions of section 282J of the Companies Ordinance, 1984.

(Akif Saeed)
Chairman/Commissioner (SCD)

Distribution:

1. Chief Executive Officers of All Non-Bank Finance Companies
2. Chief Executive Officer, Pakistan Microfinance Network
3. Chairman, NBFI & Modarabas Association of Pakistan
4. Chief Executive Officer, MUFAP