

PRESS RELEASE

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SECP Introduces Self-Assessment Declaration for NBFC's to Enroll Digital Lending Apps

ISLAMABAD, May 23: The Securities and Exchange Commission of Pakistan (SECP) has introduced a Self-Assessment Declaration Form to expedite and simplify the enrolment of Non-banking Finance Companies (NBFCs) digital lending apps on its approved list.

The self-assessment declaration issued through Circular 14 of 2024 enlists all relevant information that the digital lending NBFCs are required to provide, along with the application for listing their app on SECP's Whitelist. Furthermore, it enables a more efficient and cost-effective entry process, which encourages innovation and growth in the digital lending sector.

The regulatory framework requires all licensed NBFCs to set up adequate cybersecurity measures and controls in order to maintain confidentiality, integrity and to prevent unauthorized access to borrowers' phone books or photo galleries, among other things. Apps that satisfy the required cyber security criteria are approved by SECP and added to its Whitelist of lending apps.

The SECP has also enabled digital lenders to introduce new product verticals, such as embedded lending through APIs, Buy Now Pay Later (BNPL) services, and Employer Integrated Earned Wage Access. SECP's innovative digital lending ecosystem focuses on consumer-centric solutions thereby ensuring transparency, data protection and empowerment of businesses and consumers.

The Circular 14 of 2024 containing the self-assessment declaration form is available at SECP's website at <https://www.secp.gov.pk/document/circular-no-14-requirement-for-self-assessment-declaration-to-be-submitted-by-nbfc-engaged-in-digital-lending-along-with-application-for-whitelisting-of-digital-lending-app-2/?wpdmdl=51659>

Scan the QR code to access the Circular 14.



