



ORARO & COMPANY
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LEGAL ALERT

OPERATIONALISATION OF THE REGISTRATION OF DIGITAL CREDIT PROVIDERS

Introduction

Further to our [previous alert](#), the Central Bank of Kenya (CBK) on 17th May 2022 issued a notice that all unregulated Digital Credit Providers (DCPs) are required to apply to CBK for licensing by September 17th 2022, or they will cease operation. Consequently, it is reiterated that DCPs will now be required to apply for registration with the CBK if they intend to continue operating in Kenya.

The registration will be made through an online portal and DCPs will be required to fill and submit the prescribed application forms together with the constitutive documents and organisational policies of the organisation including their data protection policies. In addition to this, DCPs will also be required to provide descriptions of their IT systems and fund delivery systems, consumer redress mechanisms, terms and conditions of the credit products, credit policies and pricing models among others. The application should be accompanied with an application fee of KES. 5,000 following which CBK will assess the documents for completeness of record.

Once the application has been assessed by CBK, the DCP will be required to test their 'data submission' capability using Application Programming Interfaces (APIs) with guidance from CBK. Upon successful testing, the DCP will be required to pay the licensing fee of KES. 20,000 following which a license will be issued to the DCP. Once a license is issued, CBK shall then publish in the Kenya Gazette and CBK's website, the name of the licensed DCP.

Disclaimer

This alert is for informational purposes only and should not be taken or be construed as a legal opinion. If you have any queries or need any clarifications as to how any aspect of the amendments might affect you, please do not hesitate to contact [John Mbaluto](mailto:john@oraro.co.ke), FCI Arb, Deputy Managing Partner, (john@oraro.co.ke), [Nancy Kisangau](mailto:nancy@oraro.co.ke), Associate (nancy@oraro.co.ke), [Hellen Mwangeli](mailto:hellen@oraro.co.ke), Associate (hellen@oraro.co.ke).



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