

## **OCEN to reduce borrowing costs of MSEs**

Many micro and small enterprises (MSEs) in India are bereft of formal sources of financing, and financial institutions also find it difficult to service these firms owing to lack of credible bookkeeping practices. This leads to high cost of borrowing for these MSEs, which reduces their competitiveness in a market flooded by cheap foreign goods.

However, with increased digitization, many of these MSEs are getting registered on e-commerce platforms and e-marketplaces. Thus, these online companies have a digital trail of the financial footprint left behind by these MSEs. With an ecosystem of Aadhaar-based eKYC, eSign, UPI, and Account Aggregator framework in place, we are now at the doorstep of integrating these digital initiatives with MSE data owned by online intermediaries for seamless access of credit by these MSEs.

The Open Credit Enablement Network (OCEN) enables consent-based access to verified information from multiple public and private data sources and connects borrowers with lenders by offering access to affordable credit. With OCEN, lenders can now underwrite loans based on new sets of information, and have access to continuous flow of data to monitor credit.

Whereas, online intermediaries such as e-marketplaces, e-commerce companies and digital businesses can synthesize lender's credit products as part of their core offerings, without significantly investing in technology or tying-up with multiple lenders individually. Financing will, thus, be based on continuous cash flows rather than income and assets, and MSEs will soon witness e-commerce platforms and other online partners offering credit solutions.

### **Notifications**

#### **PIB**

APEDA organizes virtual buyer seller meet for boosting exports to Algeria

<https://pib.gov.in/PressReleasePage.aspx?PRID=1730127>

Inauguration of National Highway Projects in Himachal Pradesh

<https://pib.gov.in/PressReleasePage.aspx?PRID=1730007>

18th Meeting of the Maritime State Development Council

<https://pib.gov.in/PressReleasePage.aspx?PRID=1730012>

#### **RBI**

Declaration of dividends by NBFCs

<https://m.rbi.org.in//scripts/NotificationUser.aspx?Id=12118&Mode=0>

Gold (Metal) Loans – Repayment

<https://m.rbi.org.in//scripts/NotificationUser.aspx?Id=12117&Mode=0>