

RBI set to launch UPI-like unified lending platform

Move to help in seamless credit to farmers, MSMEs



“THE NEW TRINITY OF JAM-UPI-ULI WILL BE A REVOLUTIONARY STEP FORWARD IN INDIA’S DIGITAL INFRASTRUCTURE JOURNEY”

SHAKTIKANTA DAS

RBI Governor

HOW ULI WILL HELP

- Pilot of a technology platform, which enables frictionless credit, was launched last year
- Platform to give lenders consent-based digital access to customer data stored in silos
- This will cut down the time taken for credit appraisal, especially for smaller and rural borrowers

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Mumbai, 26 August

The Reserve Bank of India (RBI) will launch the Unified Lending Interface (ULI) nationwide in due course, aiming to transform India’s lending sector, similar to how the Unified Payments Interface (UPI) revolutionised the payments ecosystem, Governor Shaktikanta Das said on Monday.

The new platform will provide lenders consent-based digital access to customer’s financial and non-financial data — including land records — stored in various silos to help them extend frictionless credit, especially to farmers and micro, small, and medium enterprises (MSMEs).

Currently, credit appraisal is not seamless as data is available on different silos like central and state governments, local authorities, banks and identity authorities. ULI will cut down the time taken for credit appraisal, especially for smaller and rural borrowers.

“Continuing on this journey of digitalisation of banking services, last year we launched the pilot of a technology platform that enables frictionless credit. From now on, we propose to call it the ULI,” said Das at the Global Conference on Digital Public Infrastructure and Emerging Technologies. Turn to Page 6 ▶

Das: UPI can be global remittance channel

“The ‘new trinity’ of JAM-UPI-ULI will be a revolutionary step forward in India’s digital infrastructure journey,” the RBI governor said. In banking parlance, JAM is a short form of Jan Dhan, Aadhaar, and mobile. It is used to transfer cash benefits directly to the bank account of the intended beneficiary.

According to Das, by digitising access to customer’s financial and non-financial data that otherwise resided in disparate silos, ULI is expected to cater to large unmet demand for credit across various sectors, particularly for agricultural and MSME borrowers.

The ULI architecture features common and standardised APIs, designed for a ‘plug and play’ approach. This ensures digital access to information from diverse sources, reducing the complexity of multiple technical integrations. Borrowers will benefit from seamless credit delivery and quicker turnaround times without requiring extensive documentation.

On the Central Bank Digital Currency (CBDC), Das highlighted the importance of not rushing into a system-wide rollout without a comprehensive understanding of its impact on users, monetary policy, the financial system, and the economy.

“Such understanding would emerge from generating user data in pilots. The actual introduction of CBDC can be phased in gradually. CBDC has the potential to underpin the payment systems of the future, both for domestic payments and cross-border payments.”

Das pointed out that while a lot of efficiency gains have been made in wholesale cross-border markets, the retail cross-border space remains burdened with multiple layers that add cost and delays to remittances. “The UPI system has the potential to evolve into a cheaper alternative to the available channels of cross-border remittances. A beginning can be made with small value personal remittances as it can be quickly implemented.”