



**Microfinance Industry's Code of Conduct, 4th Edition released by SIDBI CMD and CGM-
Department of Regulation, RBI
Jointly endorsed by MFIN, SIDBI, ASFBI, FIDC and Sa-Dhan**

New Delhi, October 4, 2022: Microfinance Institutions Network (MFIN), industry association for Microfinance and an RBI-recognized self-regulatory organization today announced the release of the fourth edition of the Industry Code of Conduct, jointly with Small Industries Development Bank of India (SIDBI), Association of Small Finance Banks of India (ASFBI), Sa-Dhan and Finance Industry Development Council (FIDC). The CoC was released at the hands of **Mr Sivasubramanian Ramann, Chairman & Managing Director, SIDBI** and **Mr J P Sharma, Chief General Manager – Department of Regulation, Reserve Bank of India (RBI)**, at an online event attended by microfinance institutions of the sector.

Speaking on the release, **Mr Sivasubramanian Ramann, Chairman & Managing Director, SIDBI** said, *"For us to take microcredit to every unserved household in the country, we need all the regulated entities to unite with the single-minded objective of financial inclusion. The importance of following principles of customer protection while lending hence cannot be overemphasized. It is good to see that digital processes have also been covered by the CoC as now many processes are digital and microfinance institutions have to play a vital role in spurring entrepreneurship and inclusion "*

Mr J P Sharma, CGM-Department of Regulation, RBI, said, *"The fourth edition of the CoC is extremely important in the wake of the new RBI microfinance framework. The Customer has always been at the core of RBI's policies and it is especially pertinent for low-income households. Following the CoC in letter and spirit will not only ensure customer protection but also a disciplined approach to credit disbursement. The CoC will therefore be extremely critical in view of the role that the microfinance institutions are expected to continue to play in financial inclusion."*

Speaking on behalf of the industry associations – MFIN, ASFBI, Sa-Dhan and FIDC - that collaborated to release this critical document, **Dr Alok Misra – CEO & Director MFIN** said, *"RBI's Harmonized Regulations necessitated a revision of the Industry Code of Conduct for the microfinance industry. The CoC draws on regulation, past editions of code, global best practices like Universal Standards of Social Performance Management (USSPM), Client Protection Principles (CPP) and field understanding of SROs. The key pillars are: fair treatment, education and transparency, information and privacy, grievance redressal and employee engagement. Thanks to Sa-Dhan, FIDC and ASBI for making it an industry initiative and special thanks to SIDBI for endorsing it."*

The primary focus of the Industry Code of Conduct has always been to promote and advance 'responsible lending' practices in microfinance. Given that customers of micro-credit may not always fully understand the product and its impact, it is imperative that microfinance providers take greater responsibility to ensure that customers interests are protected.



About Microfinance Institutions Network

MFIN is a premier industry association comprising 56 NBFC-MFIs and 43 Associates including Banks, Small Finance Banks (SFBs) and NBFCs. By virtue of bringing all microfinance entities under one common umbrella, MFIN acts as a bridge between them and the regulators to build a dialogue for greater transparency, better policy frameworks and stronger client protection standards for responsible lending, thus enabling the microfinance industry to partake in meeting the larger financial inclusion goals.

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