



**LEGAL
REQUIREMENTS
FOR FINANCIAL
SERVICES APPS
ON THE
GOOGLE PLAY
STORE**

Introduction

The recent crackdown on mobile applications ("**Apps**") that are geared towards the provision of financial services, including lending, by local regulators has necessitated an update of policy by Google for its Play Store. These policies now require App developers, especially those who develop finance services Apps, to ensure that their Apps are in tandem with the law of the jurisdiction where such Apps are made available to users. One example is the support by the Federal Competition & Consumer Protection Commission ("**FCCPC**") and other members of the Joint Regulatory and Enforcement Taskforce, including the Central Bank of Nigeria ("**CBN**"), the Independent Corrupt Practices and Other Related Offences Commission ("**ICPC**"), the National Information Technology Development Agency ("**NITDA**"), the Economic and Financial Crimes Commission ("**EFCC**"), the National Communications Commission ("**NCC**"), and the Nigeria Data Protection Bureau ("**NDPB**") of Google's policy to protect the personal information of the users of these Apps.¹

Google has updated its policy for financial service Apps listed on the Google Play Store ("**Update**")², effective 31st May 2023. The Update contains additional requirements for various countries, including Nigeria. In this article, we have outlined the highlights of this Update.

Highlights of the Update

For the purpose of the Update, financial products and services are those related to managing or investing money and cryptocurrencies, including personalised advice. Notably, Google Play Store will now require Apps that contain or promote financial products and services to comply with regional and local regulations for any region or country in which they operate.

Under the Update, cryptocurrency mining Apps that allow for the mining of cryptocurrency on mobile devices and Apps that allow users to trade binary options are prohibited. However, Apps that remotely manage the mining of cryptocurrency are permitted.

¹ <https://fccpc.gov.ng/googles-broad-and-responsible-policy-of-barring-digital-lending-applications-from-accessing-sensitive-user-data/>

² <https://support.google.com/googleplay/android-developer/answer/13161491?sjid=2981504824104808719-EU>

With respect to personal loan³ Apps, they must be categorised as finance Apps in the Google Play Store console. Developers of these Apps are also required to include the following in the App's metadata:

- Minimum and maximum period for repayment;
- Maximum Annual Percentage Rate (APR), which generally includes the interest rate plus fees and other costs for a year, or other similar rate calculated consistently with local law;
- A representative example of the total cost of the loan, including the principal and all the applicable fees; and
- A privacy policy that comprehensively discloses the access, collection, use, and sharing of personal and sensitive user data, subject to the restrictions outlined in this policy.

With respect to repayment, Google Play Store now prohibits personal loan Apps that require repayment in full within 60 (sixty) days or less from the date the loan is issued. Personal loan Apps and Apps that facilitate access to personal loan apps are also prohibited from accessing their customers' sensitive data, including photos, contacts, videos, and location.

In addition to the requirements stated above, Google Play Store also requires personal loan Apps providing services in Nigeria to complete a form ("**Declaration Form**")⁴ where it will, among other things, confirm whether:

- (i) it has submitted a Digital Money Lenders ("**DML**") application to the FCCPC;
- (ii) it has received conditional approval from the FCCPC;
- (iii) it is working with a DML approved by the FCCPC; or
- (iv) it is or is working with a microfinance bank (with a digital lending approval from the FCCPC and a license from the CBN). For DMLs who obtain conditional approval from the FCCPC, they must resubmit the Declaration Form after 45 days if they are yet to obtain final approval.

³ According to Google, Personal Loans mean "lending money from one individual, organisation or entity to an individual consumer on a non-recurring basis, not for the purpose of financing purchase of a fixed asset or education".

⁴ https://support.google.com/googleplay/android-developer/contact/plad_ng?sjid=2981504824104808719-EU

Conclusion

Google's recent actions require Apps, including those operating on a cross-border basis, to comply with local laws. The intention behind this move is to ensure that Apps operate within the legal framework of the respective jurisdictions they serve, whether or not they have a physical presence in that country. Consequently, all apps available on the Google Play Store in Nigeria must comply with relevant Nigerian laws and regulations. In addition to the tax obligations imposed on Non-Resident Companies providing digital services to persons in Nigeria and deemed to have significant economic presence by the Companies Income Tax (Significant Economic Presence) Order 2020, this move expands the regulatory reach of Nigerian authorities beyond the country's borders to Apps that target Nigerian consumers.

This update has been provided by Yinka Edu, Pamela Onah, and Precious David of the Banking & Finance team at Udo Udoma & Belo-Osagie. For more information about our Banking & Finance practice group offerings, please visit our website at www.uubo.org or email us at uubo@uubo.org.

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