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**Assignment: KSA P2P Lending Platform Feasibility**

“What challenges do you see in P2P lending platforms in Saudi Arabia, do you think that if SMEs cannot get a loan from banks, lending platforms like FORUS present a strong case? justify your response by analyzing digital lending ecosystem in middle-east, what value proposition they present to the market, and how SMEs and small startups can be benefitted. In addition, what is the role of regulatory bodies you see, like SAMA or CMA in trying to protect operational risk.”

As SMEs represent more than half of all business in the Middle-East that wasn’t able to get an approval of banks loan application, they were a key driver of most businesses to seek disintermediation space of offering lending services by applying FinTech solution in term of digital peer-to-peer lending services providers such as FORUS and Raqamyah Platform. Most P2P lending platforms in the Middle-East offers such innovative solution to both borrowers and lenders based on different perspectives including:[1]

* Charge borrowing cost
* Gain better returns for investors.
* Accurate credit assessment.
* Reduce the cost of managing loans
* Ability to lend to SMEs or startups on lower-income with higher risk.

Additionally, the P2P lending ecosystem in Saudi Arabia is going through major challenges considering three main points:1) Ability to recruit talented human capital, 2) Maintain sufficient support from regulators, 3) Dealing with credit and trust issues. [2] Indeed, SAMA as a regulator has created the sandbox regulatory framework for FinTechs to test their innovative digital solution in a live environment. SAMA takes responsibility to ensure and assess multiple risks that could arise regarding cybersecurity, fraud, terrorist financing, and consumer data protection. [3]