

Regulatory Sandbox application form

Section 1 Firm details

Section 2 Business model and innovation proposition

*1. Please provide a summary of your innovation and the associated business model. You should explain your innovation in plain language and take care to address the following points (we recommend no more than a 2-3 lines for each bullet point):

- how it works
- target market and target customers
- revenue model (how you will make money)
- what the product or service will look like to customers
- your competitors
- businesses or partners you will work with
- technology used

The more detail we have, the easier it will be for us to assess your innovation against our eligibility criteria. Please include anything you feel will be relevant for us to understand how your proposal works.

Please provide any supporting information (eg business plan, deck, or other material).

*2 Please select whether your innovation is technology driven and, if so, what the main technology is:

You may select multiple answers.

- Non-technology driven innovation (please specify below)
- API (application programming interface)
- Artificial intelligence/machine learning
- Big data
- Biometrics
- Cloud
- Distributed ledger technology (DLT)/Blockchain
- Predictive analytics
- Quantum computing
- Open banking/open finance
- Other (please specify) _____

*3 In which area are you looking to apply this technology?

You may select multiple answers.

- Crowdfunding
- Cryptoasset
- Data/technology infrastructure
- Digital ID
- Green FinTech/Sustainability
- Insurtech
- Peer to peer (P2P)
- RegTech (including know your customer (KYC)/financial crime/online harms)
- Robo-advice
- Decentralised finance
- Other (please specify) _____

Section 3 Eligibility criteria

*4 In scope

As the UK's financial services regulator, our remit is FCA-regulated financial services. This includes: firms that are doing activities that we directly regulate, or firms that are looking to help regulated firms follow our rules.

Is your idea a [regulated activity](#)? Or does it support regulated business in the UK, for example, are you a technology provider to a financial services firm carrying out regulated activity?

*5 Genuine innovation

We take a broad view of innovation. An innovative business could be something completely unprecedented, a new spin on an existing idea, or an idea that has yet to get traction in the wider market. It could be a new way of allowing underserved consumers to get access to financial services, or it could be a new market for existing products.

How is your idea new or different from existing offerings? According to your desk-based research, please provide details on any existing or comparable offerings already established in the market.

*6 Consumer benefit

A proposal that we support must benefit consumers, and not expose them to undue risk. This could mean anything from making an existing service better (through lower price, higher quality, or greater efficiency), making it more widely available, or aiming a service at groups who are not well served by existing markets. This could include, for example, firms looking to foster diversity and inclusion in financial services.

How is your proposal better for consumers than what is currently available? This could be benefits that help consumers, support businesses, or make markets function better.

*7 Readiness

The Regulatory Sandbox supports firms testing in the live market. Therefore, propositions have to be user ready in time for the start of the test.

As part of your answer, consider the following: Is your innovation ready to be tested on a

small scale in a live environment? What are the technical, legal, regulatory and operational aspects of your proposition that are in place, or need to be in place, before testing can begin? Do you have sufficient resources to pay the standard FCA authorisations fee and meet the relevant capital requirements (where necessary)?

***8 Need for support**

We don't endorse business propositions and aren't able to introduce you to partners or investors. Firms must be able to explain why they need to test in the Regulatory Sandbox.

As part of your answer, consider the following: What regulatory tool do you require to test? What are the principal regulatory barriers to providing your service or product? Why do you think the FCA should have an interest in your testing proposition?

***9 Please select which of the following tools you might need from our support:**

You may select multiple answers.

- Signposting
- Individual guidance
- Informal steers
- Restricted authorisation
- Discussion/engagement with relevant experts within FCA
- Waivers to FCA rules
- No enforcement action letters
- Other (please specify) _____

Section 4 Testing plan

***10 Describe the test you are proposing to carry out in the Sandbox**

As part of your answer, consider the following: What are the objectives of the test? What regulated activity do you consider you may be carrying out, or supporting a regulated firm with? Who will your testing partners be? Have you clearly stated who is doing what and how?

***11 Describe the timeline and key milestones of your test. Please note that the Sandbox supports tests of up to 6 months.**

As part of your answer, consider the following: Have you clearly stated the envisaged timeline for your test activities? What are your key testing stages and milestones? How much time do you need to prepare for the test? How long do you intend the test to last for?

***12 What do you need to finalise before testing?**

As part of your answer, consider the following: Do you have sufficient clarity on your legal and regulatory position? Have you got all testing partner agreements in place (where

necessary)? Do you have sufficient funding for testing activities? Do you have access to operational services such as banking facilities or technical infrastructure?

*13 How will you measure the success of your test? Please outline any quantitative and qualitative metrics.

As part of your answer, consider the following: What quantitative measures or key performance indicators will be used to monitor the success of your test? These might include metrics related to costs, time, positive customer behaviours and outcomes.

What qualitative measures will you use to validate your test objectives set out above? These might include feedback from customer surveys or interviews with test participants.

*14 Who will your customers be?

As part of your answer, consider the following: What type of customer will be involved as part of your test? Why are they the appropriate audience for the test and your product or service? How will you source them? How will you communicate with customers effectively? How will you handle customer complaints? How will you market your service or product to the selected customer group?

*15 How many customers will participate in your test? As part of your answer, consider the following: Why is this the right number to achieve the objectives of the test?

*16 What are the key risks of this test to consumers, the market, and your firm?

*17 How will you mitigate these risks?

*18 How will you wind down your test if it needs to end earlier than anticipated?

As part of your answer, consider the following: What are your business continuity management provisions to ensure the safety of your business and customers at all times? How would you deal with customers that have already received your product or service? How would you manage the communication between your firm and your customers? How would you handle customer claims?

Section 5 Diversity and inclusion (optional)