

The **scheme** that enables you



to test **new ideas**

The new **FCA sandbox scheme**

The Financial Conduct Authority's '**regulatory sandbox**' scheme is the new initiative that gives financial services companies and individuals like you the chance to test innovative products, services, business models and delivery mechanisms under a light-touch regulatory framework – before going to market. Announced in November 2015, the sandbox is a world-first for financial services. And it could offer invaluable opportunities for you.

How does it work?

The sandbox will launch in May 2016 and will operate in cohorts. Initially, there will be two cohorts a year as the FCA learns what works best and improves its processes for the next time round.

If you want to participate, you will be asked to submit applications explaining your proposition and how it meets the sandbox eligibility criteria. These include:

- genuine innovation
- the benefit to consumers, either direct or indirect
- if the idea is meant for the UK financial services market
- the need for testing in the sandbox alongside the FCA
- whether it's ready for live testing.

You're encouraged to submit well-developed testing plans, as the most readily prepared tests will be chosen for the first cohorts.

As part of the sandbox, you will benefit from:

- easy-to-meet tailored authorisation processes
- reduced time and costs to get the tests up and running
- the option to launch into the wider market if your idea meets threshold conditions
- regulation that evolves with the scale of the project
- individualised guidance.

What does it mean for prospective customers?

Testing parameters and customer safeguards will be set upfront, with customers retaining their existing rights when using the products or services operating within the sandbox regime. If you participate, you must also make sure you have a fair exit strategy for consumers in place.



How will the new sandbox help me?

Learn more [here](#).

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