

Overview of Financial Technology Innovative Experimentation (Regulatory Sandbox)

FinTech Center

Financial Supervisory Commission

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Do you have any of the following questions?

- ▶ Do you have an innovative financial technology but don't know if it can be used in the market?
- ▶ Do you want to launch a brand-new business model but worry about regulatory hurdles?
- ▶ Does your business or collaboration partner fall within the jurisdictions of competent authorities other than the FSC?
- ▶ Do you want to experiment with new technologies not yet governed by existing laws?
- ▶ Do you have questions regarding financial technology or innovation?

If you have such questions, please read on!

Financial technology regulatory sandbox/pilot programs

- ▶ **Regulatory sandbox:** It provides a site for experimenting FinTech development and opportunities for testing and verifying the feasibility of the innovative concept
- ▶ **Pilot program:** Financial institutions can use new models to enhance the efficiency of existing businesses or work with other companies to introduce new technologies or business models

Simple dichotomy

Financial institutions or non-financial institutions use innovative methods for financial businesses that require special permission



Regulatory sandbox

(methods may be inconsistent with existing regulations)

Financial institution + expansion of existing business model or technological innovation

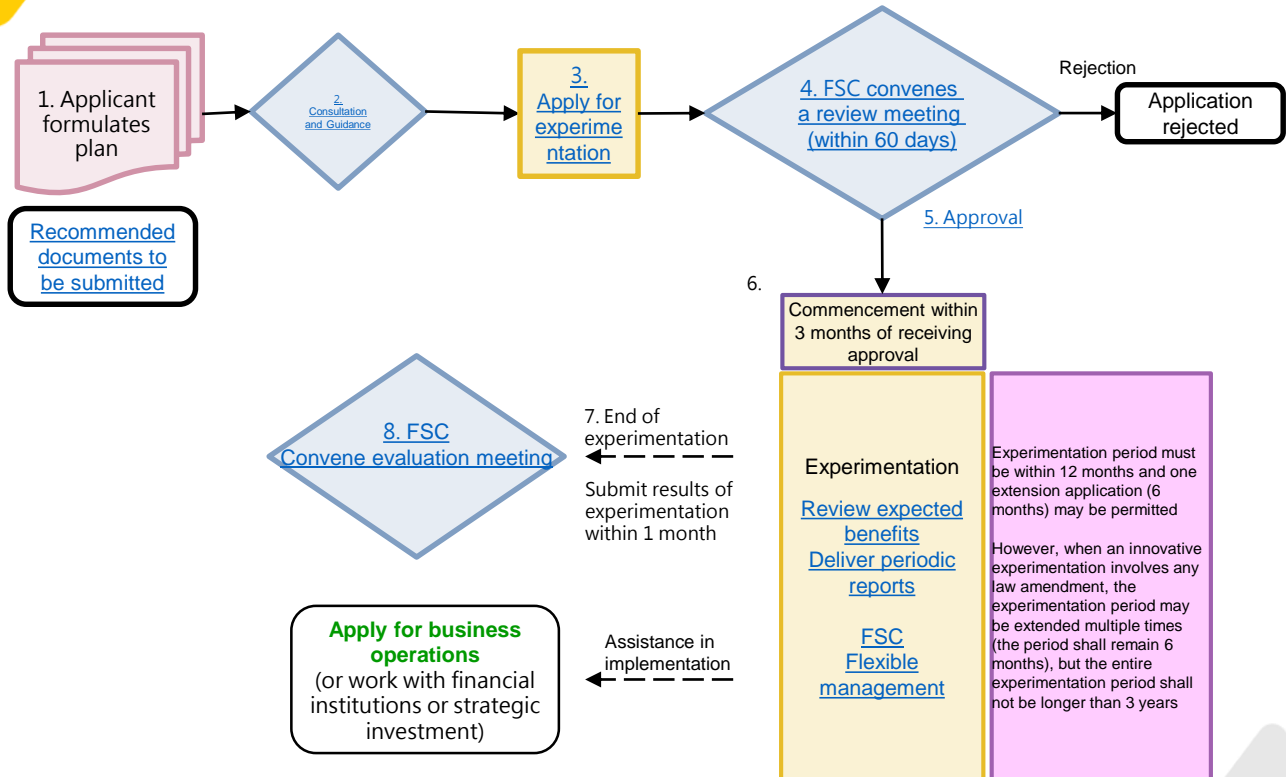
Financial institution + technology provided by non-financial institution



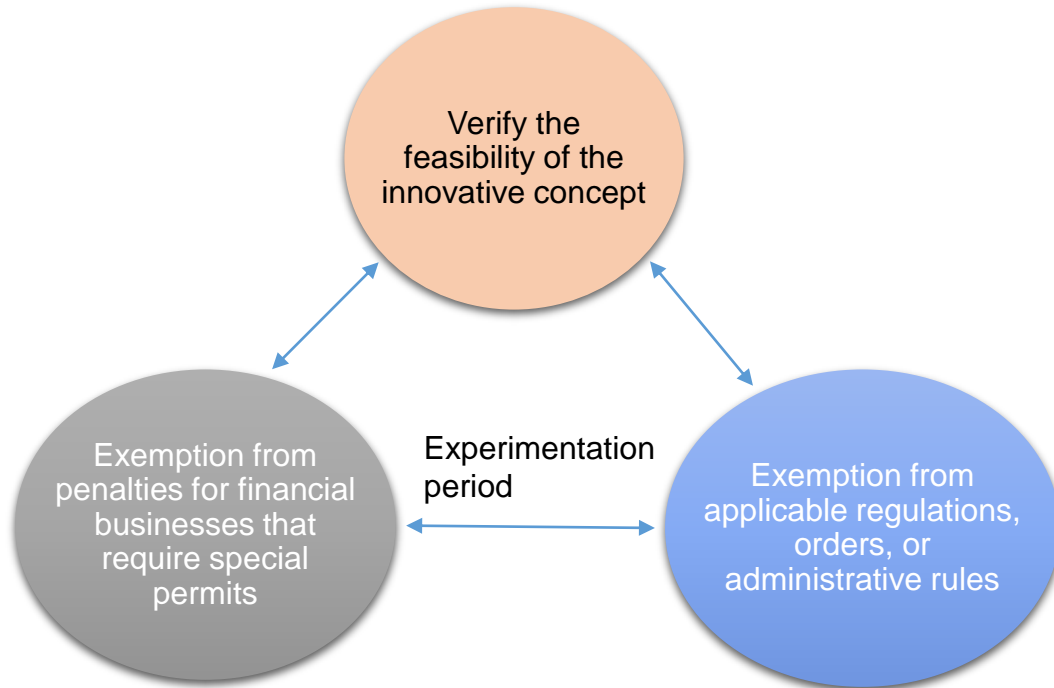
Pilot program

(Precondition: Not violate the existing laws and regulations)

Procedures for sandbox application (simplified)



After obtaining approval for access to the sandbox, you can...

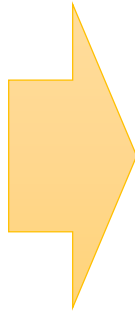


I'm interested! But I have many more questions!

Are you not sure about whether it is a financial business that requires a special permit?

Are you not sure about whether it conflicts with financial regulations?

Does the business scope make it difficult to determine whether it complies with regulations?



Contact the FSC consultation and guidance contact window!

Telephone: (02)8968-0120

E-mail: fintechcenter@fsc.gov.tw

End of Presentation



Supplementary Information

Innovative experimentation application documents



Application documents

1. Application form
 2. Applicant information
 3. Innovative experimentation plan
- Consult the FSC guidance contact window for guidance before filing an official application

Official application: Provide three copies of the documents and digital files

- Application documents specified in Article 4 of the Act
- A statement that the individuals specified in Paragraph 1, Article 5 of the Act do not have negative qualifications
- The applicant must provide supplementary information within the specified period





Consultation and Guidance

Regulatory sandbox consultation and guidance hotline:
02-89680120 (FSC Innovation Center)

E-mail: fintechcenter@fsc.gov.tw

Recommended documents to be submitted

After the Innovation Center reviews the documents, it shall ask the team to introduce the concept and invite related government agencies to attend the meeting and provide opinions

Purpose of Consultation and Guidance

- Help determine whether the applicant should apply for access to the regulatory sandbox or start a pilot program
- Clarify the team's questions regarding regulations and the preparation of application documents
- Help the team learn about the questions that may be raised by the members of the review meeting

Help the team plan money laundering prevention, consumer protection, risk management, and information security issues



Members and regulations of the review meeting

Members of the review meeting

- Approximately $\frac{2}{3}$ are personnel of government agencies, including the Chairman/Vice Chairman of the FSC, and representatives of relevant bureaus and agencies (e.g., Central Bank, Department of Consumer Protection, and Ministry of Justice)
- $\frac{1}{3}$ are experts and academics

Attendance and resolution ratio

- Meetings must be attended by more than $\frac{1}{2}$ of members and resolutions shall require the approval of more than $\frac{2}{3}$ of the members in attendance

Key review items

- The project falls within the scope of financial businesses
- The experimentation is innovative
- The project is beneficial (increases efficiency, lowers costs, or improves and the rights and interests of consumers and companies)
- Potential risks are controllable
- Participants are protected

Approval letter and commencement notice

Approval notification for commencement

- The approval letter shall specify the regulations that may be exempted in addition to the regulations listed in the Act, interval of periodic reports, and additional compliance matters.
- The applicant shall commence the experimentation **within 3 months** of receiving the notice. Should an applicant fail to commence the approved innovative experimentation within the prescribed period, the approval shall no longer be valid.

Commencement notice

An applicant shall notify the FSC in writing the date on which the approved innovative experimentation commences **within 5 business days from the date of commencement.**

Supervision and Administration

Periodic reports

- The applicant shall submit periodic reports based on the frequency specified in the approval letter and review whether it has achieved the expected benefits set forth in the experimentation plan. [Sample of the periodic report](#)

Flexible management

During the experimentation period, the FSC may conduct the following:

- A : Onsite visits
- B : Improve measures based on the results and communication with the team
- C : Review the necessity of regulatory adjustments

Performance Review of the Results of the Experimentation and Evaluation Meeting

Report on the results of the innovative experimentation

- Specify whether the KPI set in the original experimentation plan are met.
[Sample of the report on results](#)
- Specify the regulatory adjustment items, etc.

Evaluation meeting

- As a principle, the members of the evaluation meeting shall be the same as those of the review meeting
- Provide evaluation recommendations and opinions

申報日期：◻

創新實驗計畫基本資料◻	
創新實驗名稱◻	◻
申請人◻ (名稱/email)◻	◻
創新實驗期間◻	年 月 日至 年 月 日◻
主管機關核准日期及文號◻	◻
聲明事項◻	
辦理情形與原核准內容是否相符◻	<input type="radio"/> 相符◻ <input type="radio"/> 不符，請說明不同處及原因：◻
對金融科技發展與創新實驗條例及金融科技創新實驗管理辦法之遵循情形◻	<input type="radio"/> 符合規定◻ <input type="radio"/> 未符合規定，請說明：◻
申報內容◻	
創新實驗計畫辦理進度◻	[請詳細說明截至申報日之實驗施行範圍、參與者人數、採取之保護措施(如：保證金水位)、個人資料保護情形、風險管理機制落實及 <u>暴險情形</u> (如金融商品或服務所涉風險類別、風險監控結果及因應處理情形)、是否有招攬活動及其內容、參與者申訴統計、消費爭議案件及處理情形、預期效益之衡量與達成情形、疑似洗錢及 <u>資恐風險</u> 評估情形等內容。]◻
資訊系統安全控管機制之執行情形◻	(請詳細說明資訊作業及網路安全監控、防禦與應變處理、稽核軌跡留存等機制及執行情形)◻
主管機關要求事項之辦理情形◻	[請列舉主管機關之要求事項(包含主管機關命限期改善所應提出之改善報告或說明)及處理進度]◻
其他申請人認為應陳報主管機關之事項◻	(申請人認為有與創新實驗計畫相關且應陳報主管機關之事項)◻

Sample of the periodic report

Go back

