



Norms For Regulatory Sandbox

The [Reserve Bank of India \(RBI\)](#) has issued the final framework for regulatory [sandbox](#) in order to enable innovations in [financial technology \(fintech\) space](#).

- **A regulatory sandbox** usually refers to live testing of new products or services in a controlled/test regulatory environment for which regulators may permit certain regulatory relaxations for the limited purpose of the testing.
- The objective of the sandbox is to foster responsible innovation in financial services, promote efficiency and bring benefits to consumers.
- The framework will likely be a positive step for financial technology start-ups and companies looking to innovate in the fast changing and highly regulated sector.
- Also, it will enable authorities to take a considered view on the regulatory changes or new regulations that may be needed to support useful innovation, while containing the attendant risks.

Norms

- RBI will launch the sandbox for entities that meet the criteria of **minimum net worth of ₹25 lakh** as per their latest audited balance sheet.
 - The entity should either be a **company incorporated and registered in the country or banks licensed to operate in India**.
- While money transfer services, digital know-your customer, financial inclusion and cybersecurity products are included, **crypto currency, credit registry and credit information have been left out**.
- The proposed FinTech solution should highlight an existing gap in the financial ecosystem and the proposal should demonstrate how it would address the problem, and bring benefits to consumers or the industry and/or perform the same work more efficiently.

[Source: TH](#)

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