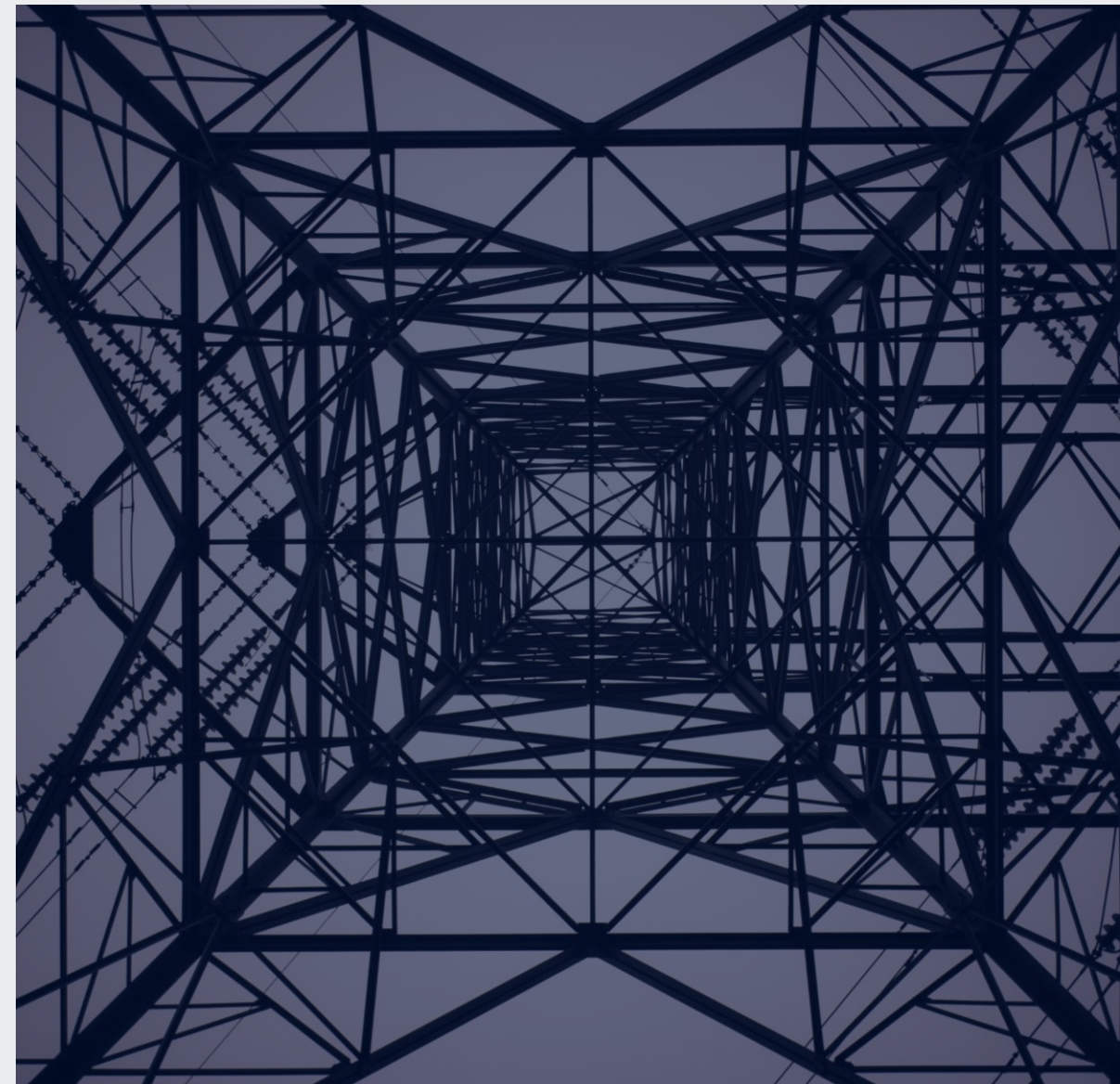


GEARING UP FOR THE NEXT GENERATION
OF FINANCIAL SERVICES



MFSA FINTECH REGULATORY SANDBOX

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Strategy, Policy and Innovation



MFSA FinTech Regulatory Sandbox

Definition and Objectives

MFSA FINTECH REGULATORY SANDBOX



FinTech Regulatory Sandbox

A **regulatory environment**, where FinTech operators may **test their innovation** for a **specified period of time** within the financial services sectors, under **certain prescribed conditions**.



Objectives

Innovation

The Sandbox will provide for a **regulatory environment allowing technologically enabled financial innovation** - new business models, applications, processes or products - **to operate within the financial services market.**

Objectives

Sustainability

Through **close dialogue**, the MFSA will be monitoring Participants to observe whether their **innovations truly offer value** to the consumer and the wider financial services sector, whilst ensuring **consumer/investor protection, market integrity and financial soundness**.

Objectives

Certainty

The Sandbox will **enhance legal certainty within the financial services** market as it provides both the Participants and the MFSA with the space to **determine the appropriate requirements** under the **applicable regulatory frameworks**.

Objectives

Knowledge

Through **collaboration with Participants**, the Authority will have the **opportunity to enhance its capacity** in assessing the **regulatory implications and gaps** of such Solutions, **and identify the appropriate response**, as necessary.

Scope

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Scope

FinTech

*“**technologically-enabled financial innovation** that could result in **new business models, applications, processes or products** with an **associated material effect** on financial markets and the provision of financial services.”*

Scope

FinTech Service Provider

“[A] person who is duly licensed or otherwise authorised to provide or who intends to provide a service/s requiring a licence or other authorisation in terms of applicable financial services legislation currently in force in Malta and who utilises FinTech in its operations.”

Scope

FinTech Supplier

*“[A] **person who provides or intends to provide a FinTech Solution*** which does **not require any authorisation whatsoever** in terms of any financial services law currently in force in Malta.”*

**NB: FinTech Solution - means a specific utilisation of FinTech.*

Scope

Other Applicants

A **person who provides or intends to provide a FinTech Solution** which while ***“appear[ing] that the activity may prima facie classify as a financial service, does not clearly fall within a specific financial services law currently in force in Malta.”***

Eligibility

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Eligibility

i. Innovation

*“The Solution shall be (i) **technology-enabled** and (ii) **innovative**, resulting in new business models, applications, processes or products within the financial services sector;”*

Eligibility

ii. Need

*“There exists a **genuine need and objective for testing the Solution** within a **controlled environment** in order to **identify any inherent regulatory gaps, challenges and risks.**”*

Eligibility

iii. Benefit

*“the Solution shall **offer identifiable direct or indirect benefit/s to consumers of financial services and the wider financial services sector**”*

Eligibility

iv. Readiness

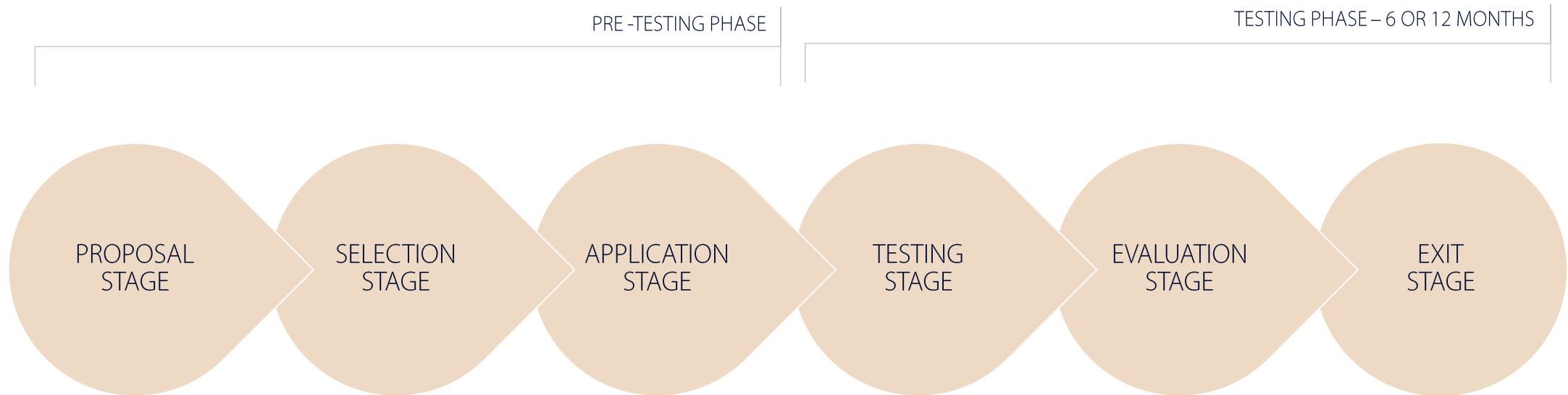
*“The Solution is **ready for testing within the Sandbox** and that the Applicant shall have **adequate resources** to operate throughout the duration of the Sandbox.”*

Sandbox Lifecycle

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Sandbox Lifecycle



Thank you

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