

Regulators and Fintech: influence is mutual?

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Regulatory sandboxes:
how, who
and why?



Regulatory Sandbox

Set of rules that allows innovators to test their products/business models in live environment without following some or all legal requirements, subject to predefined restrictions:

- Limitations (on number of clients, risk exposure);
- Time-limited testing
- Set of predefined exemptions
- Testing under regulator's supervision



Jurisdictions

- United Kingdom
- Singapore
- Australia
- UAE (Abu Dhabi IFC)
- Malaysia

Purposes of Regulatory Sandboxes

Minimizing legal uncertainty

Improving access to investment

Adaptation to test-and-learn approach

Creating rules for new products/business models



Who can benefit?

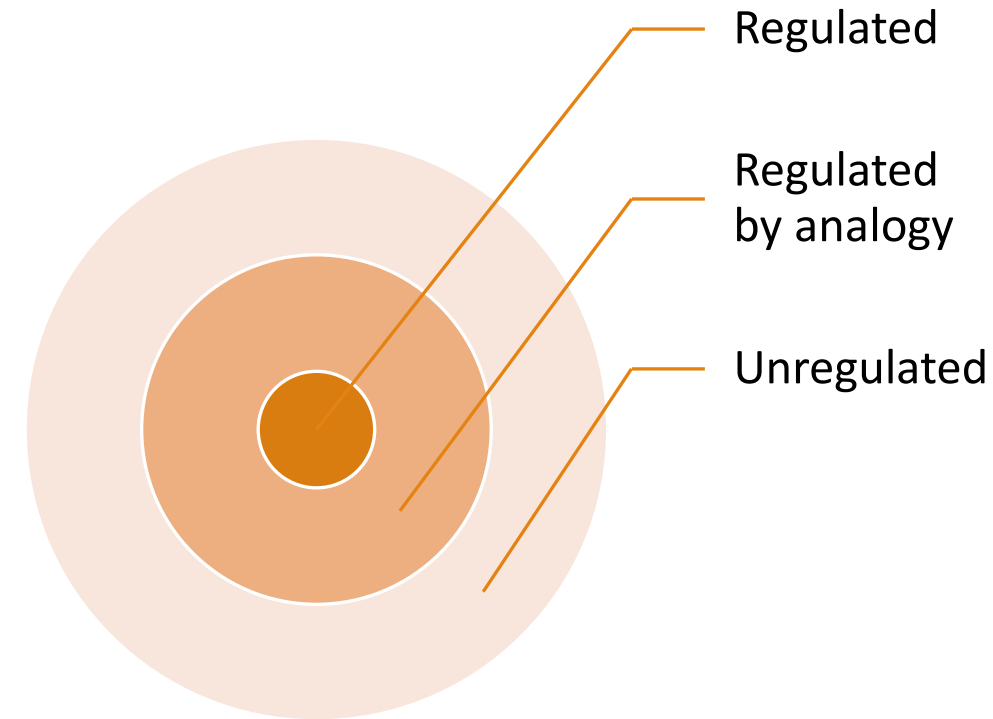
As a rule, regulatory sandboxes are open to both incumbent financial institutions and startup companies



Hence, startups are not the only source of innovations

Why regulators change?

- Lines between regulated and unregulated become blurred
- Keeping regulation effective gets more difficult
- Regulators have to become startups in a certain sense
- Flexible approach allows to mitigate the risks while keeping it conducive to innovations





Analytical Report

REGULATORY SANDBOXES
REGULATION AS A SERVICE



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The Report

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