



INDUSTRY  
SANDBOX

SANDBOX CONSULTATION  
FINDING PREVIEW

INNOVATE / FINANCE

# CONSULTATION FINDINGS PREVIEW

The UK Financial Conduct Authority (FCA) invited Innovate Finance to chair an industry consultation to explore the feasibility of an industry led sandbox for testing off-markets financial innovation. The consultation was conducted between July 2016 and April 2017. A full set of consultation findings, best practices and recommendations will be published in early May 2017.

## Key Consultation Findings

Industry Sandboxes are an advancement in open innovation which present an opportunity to further develop, accelerate and promote collaboration in the FinTech ecosystem.

- Industry sandboxes can be useful as a means to accelerate:
  - **Solution development** by providing the whole of the FinTech ecosystem with access to resources such as data, APIs, or reference architectures which enable entrepreneurs to create solutions which are additive and more readily integrated with the existing technology stack;
  - **Complex problem solving** by facilitating industry collaboration on identifying and addressing complex shared consumer, technological and regulatory challenges;
  - **Regulatory efficiency** by encouraging regulators to engage as observers where industry can share knowledge early in the life cycle of solution development.

High level Industry Sandbox design requirements have been developed by reviewing global practices and community requirements.

- Industry sandboxes should be:
  - **OPEN** to the whole of the ecosystem on a voluntary participation basis;
  - **CONNECTED** to other shared testing environments and different proprietary sandboxes;
  - **ACCESSIBLE** via clear eligibility requirements and as low barriers for participation as are economically feasible.

- Industry sandboxes should have:
  - A critical mass of shared resources, such as:
    - Data sets
    - APIs
    - Reference Architectures
    - Analytics and audit tools
    - Showcase mechanisms
  - A method for self and industry-level certification to technological, business and compliance standards and requirements;
  - A curated forum for identifying and solving complex industry problems;
  - A curated forum for regulators to participate as observers.
- Industry sandboxes participation range from:
  - **USERS** of the sandbox resources;
  - **CONTRIBUTORS** of the sandbox resources;
  - **SPONSORS** of the sandbox forums;
  - **OBSERVERS** of the sandbox outputs.

FinTech startups, financial institutions, technology and data vendors, professional services firms, and venture capital funds can all be users, contributors or sponsors of Industry Sandboxes (or a combination of these roles).

Regulators, academia and professional membership bodies can participate as observers or, where relevant, enablers in secretariat or research functions.

The final consultation report will present the key findings from: surveys, collaborative design workshops, call for input, interview and roundtables with ecosystem participants.

The consultation report is designed to provide industry with a comprehensive set of high level requirements, use cases, best practices and implementation options to allow industry participants to create industry sandboxes that are fit for their specific purposes.

For further information about the Consultation please refer to [www.industrysandbox.org](http://www.industrysandbox.org)



## CONTACTS

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