FREQUENTLY ASKED QUESTIONS

SBP Regulatory Sandbox

Frequently Asked Questions (FAQs)

Section 1: Overview and Objectives of Regulatory Sandbox (RSB)

1. What is a Regulatory Sandbox (RSB)?

   A Regulatory Sandbox is a controlled environment where innovative products, services, technologies and business models can be tested in a real world setting on a limited scale for a specified period to assess their viability under regulatory oversight.

2. What is a cohort in the context of the RSB?

   A cohort is a group of applicants selected together to test their innovations within a defined time widow of the RSB. Each cohort typically lasts for six months, although extensions may be granted on a case-by-case basis depending on the nature and progress of the testing.

3. How does the RSB balance innovation and consumer protection?

   The RSB enforces safeguards such as transaction limits, client caps, and ongoing monitoring to minimize risks during the testing period.

4. Can the RSB lead to new regulations?

   Yes, insights gained through RSB testing may be used for improving / enhancing existing regulatory frameworks.

5. Does the RSB provide funding to startups?

   No, it only provides sandboxing and allied services for the testing.

Section 2: Application Process, Eligibility & Cohort

6. What does "genuine innovation" mean in the RSB context?

   A "genuine innovation" refers to a solution that either leverages emerging technologies or applies existing technologies in a novel way to address unmet needs or improve existing processes.

7. Can a solution already in the market apply for the RSB?

   A solution already in the market may apply only if it introduces a different approach or technology in the financial sector and aligns with the themes announced at the time.

8. How is the scalability of a solution evaluated?

   This is evaluated by assessing its potential to operate sustainably and commercially beyond sandbox environment.

9. Can international companies apply for the RSB?

   Yes, if they meet eligibility criteria and intend to operate in Pakistan.

10. How is intellectual property (IP) protected during evaluation?

    SBP ensures confidentiality unless disclosure is legally required. However, it would be the responsibility of the applicant to register the IP with the relevant authorities.

11. What is the minimum team size for applicants?

    There are no specific requirements for team size, but the team must demonstrate capacity to execute the idea.

12. Can joint ventures apply for the RSB?

    Yes, provided they meet the eligibility criteria and designate a lead applicant.

13. What happens if an applicant fails to meet evaluation criteria?

    The application would not be shortlisted for the cohort and the applicant may apply again in future cohorts.

14. Can applicants appeal a rejection?

    No formal appeal process exists, but the applicant may seek feedback for resubmission.

15. How is the application window announced?

    All announcements are made through RSB's website, social media, and other official platforms. The link of the RSB's website is: https://www.sbp.org.pk/dfs/rsb.html

16. Where can applicants access the application form?

   Application form and detailed guidelines on RSB are available at: https://www.sbp.org.pk/dfs/rsb.html

17. Can an applicant submit multiple proposals?

   Yes, applicants may submit multiple proposals provided that each proposal is distinct and meets the eligibility criteria.

18. Can applicants seek clarification before applying?

   Yes, applicants may seek clarifications by sending their queries to the dedicated email address: regulatory.sandbox@sbp.org.pk.

19. Can unregistered firms apply?

   Yes, unregistered firms may apply to the RSB, provided they complete registration or incorporation with SECP prior to the commencement of the testing.

20. How are applicants notified of acceptance of proposal in Cohort?

   Successful applicants are notified of their acceptance via email and/or surface mail in according with the timeline specified in the RSB Guidelines.

21. Can applicants withdraw their application?

   Yes, applicants may withdraw their submissions by formally notifying the SBP in writing and after seeking approval.

22. Is there a limit on the size of the testing plan?

   Testing plan must be submitted as per the format designed by SBP.

Section 3: Cohort Lifecycle

23. What happens after an application is approved?

   Once an application is approved, the applicant engages with the SBP for finalization of testing plan, execute the legal agreement, and complete other formalities.

24. What is a testing plan in the RSB?

A testing plan is a comprehensive document that outlines how the proposed innovation will be tested, including its objectives, scope, timelines, and KPIs.

25. Can the testing plan be modified during testing?

Yes, a testing plan may be modified, subject to prior approval from the SBP.

26. How does the SBP monitor testing?

The SBP monitors testing through periodic review of progress reports submitted by the participants.

Section 4: Additional Information

27. My Company has been part of the engagement activity conducted by SBP. Does this guarantee acceptance of application into RSB?

Please note that participation in market engagements, or any correspondence arising from it, does not constitute an endorsement, acceptance, or indication of future selection into SBP Regulatory Sandbox. These engagements are part of the State Bank's broader outreach efforts to support the innovation ecosystem by fostering a better understanding of relevant regulatory and supervisory frameworks. SBP remains committed to engaging constructively with both regulated entities and emerging innovators; however, such interactions occur outside the formal regulatory or supervisory decision-making processes.

28. My company has already participated in the Regulatory Sandbox of a foreign jurisdiction. Will my application be given any preference for inclusion into RSB?

All applications would be assessed in terms of eligibility criteria as mentioned in the Guidelines and the parameters i.e. innovation, consumer utility, understanding of the regulatory barriers, readiness for testing, scalability and risk management.