

## Regulatory Sandbox Self-Assessment Tool for Potential Applicants

	Key question	Positive indicators	Negative indicators
<b>Scope</b>	Are you doing something that is beneficial for people of Pakistan?	<ul style="list-style-type: none"> <li>- Your innovation is intended for the financial services in Pakistan.</li> <li>- The relevant regulator of such business activity is SECP.</li> </ul>	<ul style="list-style-type: none"> <li>- Your innovation doesn't appear to be intended for use in the Pakistan.</li> <li>- It is out of regulatory mandate of SECP.</li> </ul>
<b>Genuine innovation</b>	Are you doing something that's ground-breaking or significantly different? This could be something completely new, or it could be a new market or international product case in local market.	<ul style="list-style-type: none"> <li>- Desk research produces few or no comparable examples of proposed innovation in the market</li> <li>- Your innovation is a clear step-change in nature or delivery of financial service/ product and/ or segment to which it is offered</li> </ul>	<ul style="list-style-type: none"> <li>- There are numerous examples of similar innovations to yours.</li> <li>- Your innovation(s) appear to be a superficial variation of an existing model</li> </ul>
<b>Consumer benefit</b>	How does your proposal help consumers (either individuals or businesses)? How is it an improvement on existing services?	<ul style="list-style-type: none"> <li>- Your innovation is likely to lead to a better deal for consumers.</li> <li>- You have considered possible consumer risks and mechanism for mitigation.</li> </ul>	<ul style="list-style-type: none"> <li>- Potential detrimental impact on consumers, markets or the financial system.</li> <li>- No risk mitigation planning.</li> </ul>
<b>Readiness</b>	Have you thought about how your model works with our rules? Have you carried out any background research into the regulations that might apply to your business? Can you explain how your business will work? Are you ready to test the innovation in the real market with real consumers?	<ul style="list-style-type: none"> <li>- You have clearly done background research, have sought to understand obligations, and have a clear, defined business proposal</li> <li>- You have a well-developed testing plan with clear objectives, timelines, parameters, success criteria and arrangement with potential partners which is necessary to undertake testing.</li> <li>- You have the financial, human and other resources to test in the Sandbox and you have conducted feasibility thereof.</li> <li>- You have sufficient safeguards in place to protect consumers and can provide appropriate redress if required</li> <li>- Testing partners (if any) are in place.</li> <li>- If authorization is required for a test, you are ready to apply in the near future.</li> </ul>	<ul style="list-style-type: none"> <li>- You have made little or no effort to understand relevant regulations</li> <li>- There are unclear testing objectives and/or your plans for testing are underdeveloped and timelines are not clear</li> <li>- You don't have the resources for the test</li> <li>- No arrangement/ consultation with stakeholder/ potential partners (if any) is done.</li> <li>- Your proposed customer safeguards are inadequate and/or appropriate redress can't be provided</li> </ul>
<b>Genuine need of Sandbox</b>	Do you have a genuine need to test in Sandbox?	<ul style="list-style-type: none"> <li>- The innovation doesn't easily fit in existing regulatory framework.</li> <li>- Business model requires amendments in existing regulatory framework and/ or introduction of new regulatory framework for regulation of innovative product/ business model</li> </ul>	<ul style="list-style-type: none"> <li>- Your business model easily fits in the existing regulatory framework.</li> <li>- Live testing is not necessary to answer your question or achieve your goal</li> <li>- SECP facilitation center can provide help to start this business under available regime without any change/ amendment therein.</li> </ul>