



The CBUAE issues Sandbox Conditions Regulation to foster innovation in financial services sector

- The Regulation outlines specific criteria and conditions that must be met by participants looking to take part in the Regulatory Sandbox.
- The Regulation aims to facilitate the testing of innovative financial business models, products, and services to support the financial sector's competitiveness.

Abu Dhabi (25 June 2024): The Central Bank of the UAE (CBUAE) has issued the Sandbox Conditions Regulation, which aims to attract start-ups and global fintech businesses and create an attractive environment for financial sector that supports creativity and innovation within a regulatory and supervisory framework. It will also consolidate the financial sector's competitiveness and support the UAE's economic growth.

The Regulation outlines specific conditions that must be met by participants, including start-ups, fintech and established businesses that are looking to deliver innovative solutions and services within the financial services sector in a regulatory and supervisory framework. It outlines also the criteria to exempt them from the requirement of obtaining a license to allow them to test innovative business models, products and services within a specified duration, provided that they will constantly comply with the regulatory obligations to ensure the best outcomes for all stakeholders.

These conditions allow the CBUAE to proactively and effectively assess and respond to these innovations as part of its supervisory activities, and enable participants to understand how best to structure their respective business in a regulatory compliant manner.

Among other criteria, applicants are required to present a technologically innovative financial product, service, solution, or business model which may benefit consumers and/or the wider industry. Additionally, participants must demonstrate an intention to deploy the proposed service in the UAE on a broader scale after exiting the Regulatory Sandbox.

H.E. Khaled Mohamed Balama, Governor of the CBUAE, said: "The issuance of the Sandbox Conditions Regulation is a testament to the UAE's keenness towards enabling innovation and building a knowledge-based national economy. By providing a structured platform for experimentation, we are encouraging innovators to contribute positively to the wider economy and participate actively in Sandbox Conditions Regulation, whilst ensuring consumer protection and achieving the interests of all stakeholders."

The Regulation has been published in the Official Gazette and has come into effect. For more information on the Regulation, please visit the following link: <https://rulebook.centralbank.ae/en>

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