

Regulatory Sandbox



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Q BACKGROUND

Effective regulation to match the pace of innovation in Fintech means having to experiment with Fintech safety in a closed testing environment. This has led to the concept of a regulatory sandbox and has attracted significant attention from many regulators in different countries, who are all struggling with Fintech's fast-paced innovation but also recognising that Fintech requires a regulatory framework that encourages innovation whilst protecting all stakeholders.

Deploying a regulatory sandbox will test: Fintech's new business models, the proposed regulatory design for sustaining innovation within the industry, and the safeguarding of all stakeholders' interests, from Fintech provider to the consumer. Regulating Sandboxes allows regulators;

- consider eligibility criteria, safeguards, and testing requirements,
- to carefully monitor Fintechs' products and services as well as their business models in a live testing environment under their watch
- to provide a dynamic, evidence-based environment to test emerging technologies to build their knowledge on fintech trends and innovations,
- create a structured process to strengthen dialogue and interaction with the industry, thereby enabling Fintechs to bring innovations to market more quickly.

This course is designed to equip regulators - Central Banking Authorities in Africa, and other stakeholders in the Fintech space - with practical knowledge on the design and implementation of a regulatory sandbox that engenders regulatory agility and financial regulations that fosters Fintech innovation, data privacy and adequate consumer protection.

LEARNING OBJECTIVES

- Explain the concept and application of regulatory sandbox.
- Outline the roles and responsibilities of all stakeholders in the implementation of regulatory sandbox.
- Understand the strategies for building and running a successful sandbox based on global best practices.
- Evaluate the expected benefits and the identified concerns with the creation of regulatory sandboxes, and or acceleration of its adoption.
- Demonstrate knowledge of application of regulatory sandbox strategy and its simulation guidance

LEARNING OUTCOMES

- Develop a framework for effective implementation of a regulatory sandbox.
- Simulate a prototype sandbox.

 **FEES: \$5,750 (VAT Exclusive)**



Introduction to the Regulatory Sandbox Concept

- Emergence of regulatory sandbox
- Objectives and the defining characteristic of regulatory sandbox
- Potential benefits of regulatory sandbox
- Risks of regulatory sandbox to the regulators
- Innovators and Customers
- Case studies

Global Evolution of the Regulatory Sandbox Cases

- The state of regulatory sandbox in developing countries
- Global Experiences and lesson learned from Regulatory sandbox; the Financial Conduct Authority (FCA), UK; Hong Kong Monetary Authority (HKMA); Kenya Capital Market Authority (KCMA) Case studies
- New Innovations
- Case studies

Introducing the Regulatory Sandbox Process Chart

- Application Stage
 - a. Application Submission Models
 - b. Application Form main fields
- Evaluation Stage
- Preparation, Testing and Monitoring
 - a. Preparation/Negotiation Stage
 - b. Sandbox Agreement
- Exit and Launch Product
- Viewing the process from the position of both the Regulator and the Fintech operator

Design and Management of a regulatory sandbox framework–A Practical Guide for Policy Makers

- Overview of the main stages for the establishment and management of Regulatory Sandbox
 - a. Conceptualisation
 - b. Operationalisation
 - c. Post Implementation and Key Considerations.
 - d. policy on how to achieve a win-win for both sides

Conceptualizing of a Regulatory Sandbox

- Governance Institutional Structure and Objectives
- Collaboration and Engagement Strategy Design
- Factors that regulator take into account when determining whether a proposed product or service is eligible for sandbox testing?
- Team capacity and resources
- Process and structure
- Eligibility criteria and timeframe
- Tools and enforcement

- Basic regulatory requirements and safeguards for all Participants “playing in the Sandbox”.
- Resources and Governance of Regulatory Sandboxes– Case study on Country Example: Inside the Bank of Thailand’s Sandbox

Examples of Operationalising of Regulatory Sandbox

- Submission and Evaluation of Application
- Guidance and supervision
- Connection with external and internal supervisors
- Monitoring and evaluation

Post-Implementation Consideration of a Regulatory Sandbox

- key elements that must be taken into consideration by the Regulator during the post implementation stage
- Gathering and Analysing Data
- External Engagement and Collaboration
- Support and Feedback
- Steps in internalizing lessons and taking actions
- Knowledge sharing and Transfer

Testing the Feasibility of a Sandbox — Simulation Exercises

- The need for sandbox simulation exercise
- Steps taken by regulators to conduct a regulatory sandbox simulation
- Organize the simulation
- Run the simulation
- Evaluate and tweak
- Global Case studies

Consumer Safeguards in the design and implementation of a Regulatory Sandbox Framework

- Risks exposed to consumers from firms participating in the sandbox
- Safeguards Commonly Used in a Sandbox
- Global Practise Safeguard Mechanisms

Running a Successful Regulatory Sandbox

- Procedural and organizational design
- Consultation and public engagement
- Evaluation and Exit.
- Global Case Studies– Licensing Experimentation and Adaptation Programme in Singapore
- Variation in Sandbox Resource Structures

Evaluating Sandbox Impacts and Remaining Agile

- Country-Level Outcomes
- Regulatory Outcomes
- Firm and Cohort-Level Outcomes
- Operational Outcomes

FACULTY



Dr Obadare Adewale

Chief Visionary Officer, Digital Encode Ltd. & Forbes Best of Africa Outstanding Digital Trust Leader.

Obadare Peter Adewale is the Founder and the Chief Visionary officer (CVO) of Digital Encode Limited.

Peter is arguably the most “Credentialed” PAN-African Digital Trust Leader, CyberSecurity Strategist, GRC Thought Leader & Global Technopreneur. A Fellow British Computer Society (FBCS), Fellow Institute of Management Consultants (FIMC), Fellow Institute of Information Management (FIIM), Fellow Enterprise Security Risk Management (FESRM), Fellow Institute of Brand Management (FIBM), Chartered Information Technology Professional (CITP-UK), Chartered Risk Manager (CRM-Nigeria), The First PECB Certified Data Protection Officer (CDPO) in Nigeria, The First PECB Lead Pentest Professional in Nigeria, First Global PECB Certified Digital Transformation Officer (CDTO), The First Ec-Council Licensed Penetration Tester (LPT) in Africa, First Ec-Council Certified Blockchain in Africa, Second COBIT 5 Certified Assessor in Africa, Payment Card Industry Data Security Standard Qualified Security Assessor (PCI DSS QSA), Forbes Technology Council Official Member and Forbes Best of Africa – Outstanding Digital Trust Leader 2023 Awardee.

He is a seasoned Multi-Award Cybersecurity & GRC expert with over 56 (Fifty-Six) international professional certifications to his credit, Master of Science in Cybersecurity, Liverpool University, UK, and was awarded Honorary Doctorate Degree in Cybersecurity from Trinity International University of Ambassadors Atlanta Georgia, United State of America.

Peter is one of the pioneer advisory board members of the first industry innovation sandbox – Fintech Development & Advocacy Initiative (FSI) in Nigeria established by the Central Bank in Collaboration with Nigeria Inter-Bank Settlement System Plc (NIBSS)

A well-recognized subject matter expert with numerous successful engagements to his credit in Africa and the world.

He is a distinguished alumnus of executive education at Harvard Business School, Harvard School of Government, MIT Sloan School of Management, MIT Professional Education and Oxford University – Said Business School.

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Sue Milton

Member of The Financial Times Non-Executive Directors' Club

Sue specialises in institutional excellence by providing practical advice and solutions for achieving good governance. The quality within the design and execution of the governance framework becomes the foundation for withstanding strategic, economic, political and operational shocks.

Sue Milton addresses strategic, cultural, procedural and information systems' shortcomings in organisations. This enables organisations improve operational effectiveness and strategic outcomes by breaking down traditional silos cumbersome for today's interconnected world, such as:

- Aligning business behaviours with the interaction of people, technology and organizations.
- Making strategy, policies and processes proactive and agile to adapt to a 24/7 global market, and
- Refining 1st, 2nd and 3rd level of lines of defence to leverage opportunities whilst mitigating risk.

Among her areas of expertise are Technology effectiveness, Fintech and crypto currency, IT governance, Cyber risk management, IT and operational risk management, Business continuity and crisis management, Internal auditing, Information governance. Institutional capability, Leveraging soft and IT skills.

Specialist skills developed over more than 30 years in the financial services sector include Security, audit & assurance programmes, Board effectiveness and accountability, Operational innovation, Resilience & sustainability, Capacity building, Ethics & culture, Stakeholder management, Communication and disclosures as well as Escalation processes.

Sue strengthened regulatory IT and business governance while serving as an adviser on organisational and IT Governance in the Bank of England's Centre for Central Banking Studies for nearly 25 years.

As a specialist consultant, she had advised banks and governments worldwide, across Europe, Russia and CIS countries, the Gulf States, Western, eastern and southern Africa, Asia and Latin America.

Recent assignments include work for the London Financial Times to provide IT training to non-executive directors and as a Senior Manager for Operational Strategy in CLS Bank and CLS Services, New York and London, achieving resilient 24X7 operations for critical, global foreign exchange settlement.

Among her professional affiliations Sue is a

- Former President of ISACA London Chapter and now is one of ISACA's IT advocates, increasing the technical and business capability of IT professionals.
- The Worshipful Companies of International Bankers and of Management Consultants.
- Member of The Institute of Directors.
- Member of The Financial Times Non-Executive Directors' Club.
- Member of ISACA and the Chartered Institute for IT.

Sue holds an Honours degree in Business and German from Birkbeck College, London.

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Chizor Malize

*MD/CEO, FITC,
Digital Transformation Expert*

Chizor Malize is the Managing Director/Chief Executive Officer of Financial Institutions Training Centre (FITC). She has over two decades of professional experience that cuts across marketing, business process re-engineering, market growth strategy, reputation management and business consulting.

She has led various strategic and transformational projects in the financial services sector, local and international, in strategy, product marketing, electronic banking, retail, wholesale, private banking and brand repositioning. Her financial services experience spans several institutions such as Valucard Nigeria Plc, Standard Trust Bank/United Bank for Africa and Access Bank Nigeria Plc. She launched and managed several of these Nigerian financial institutions in 8 African countries and the United Kingdom.

Prior to assuming the role at FITC, Chizor was a Founding Partner and CEO at Brandzone Consulting LLC. She led the firm's Consulting practice serving major international and indigenous organizations of repute while creating thought leadership to advance businesses. She has been a mentor to a number of new ventures and advisor to Executives. She holds a Bachelor's degree and a Master's degree in Business Administration (MBA) with specialization in Marketing. She is a professional member of the Chartered Institute of Marketing (CIM), London and Chartered Institute of Marketing, Nigeria. She is an Executive Education Alumna of the London Business School, UK and the Columbia University, New York, United States. She is a recipient of Marketing and Leadership awards. She won the award for Marketing Personality of the year 2016 and the African Leadership Excellence Award 2017.

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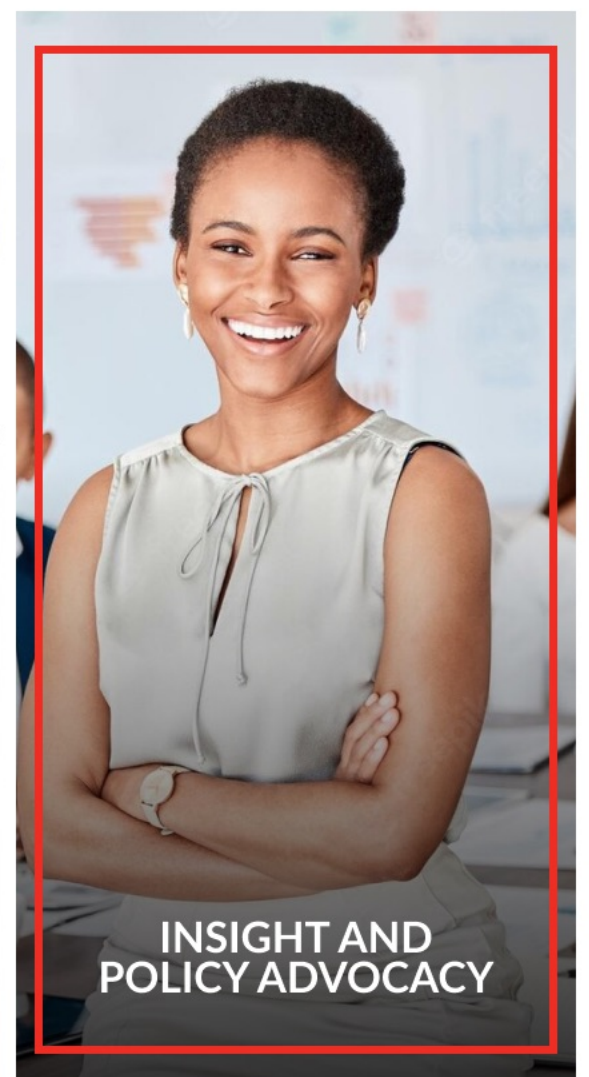
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