

CGAP-World Bank: Regulatory Sandbox Global Survey (2019)

SUMMARY RESULTS



Disclaimer

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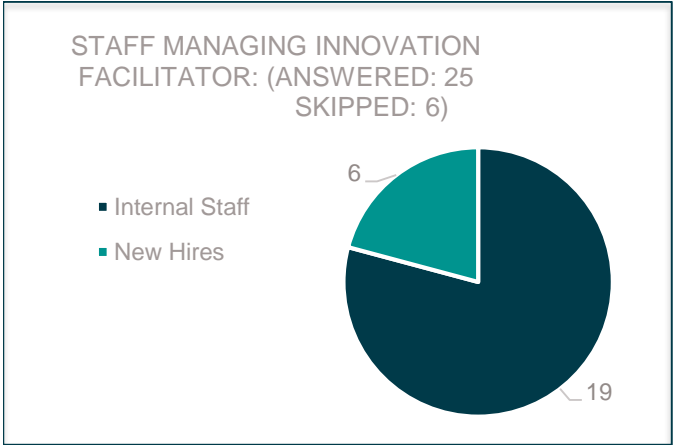
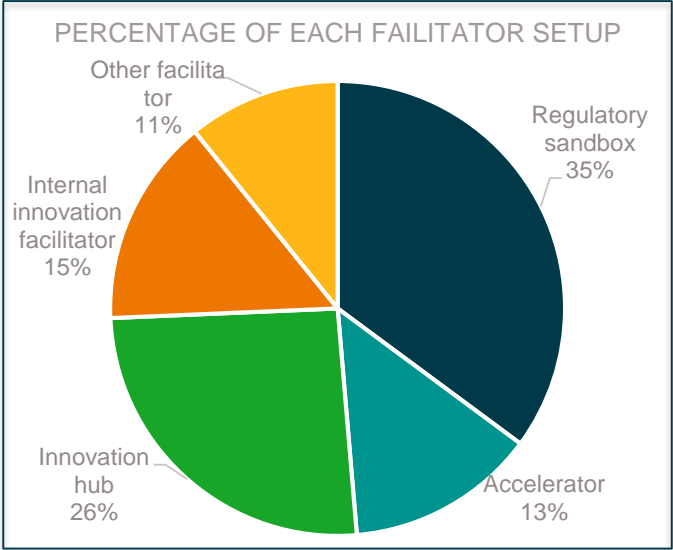
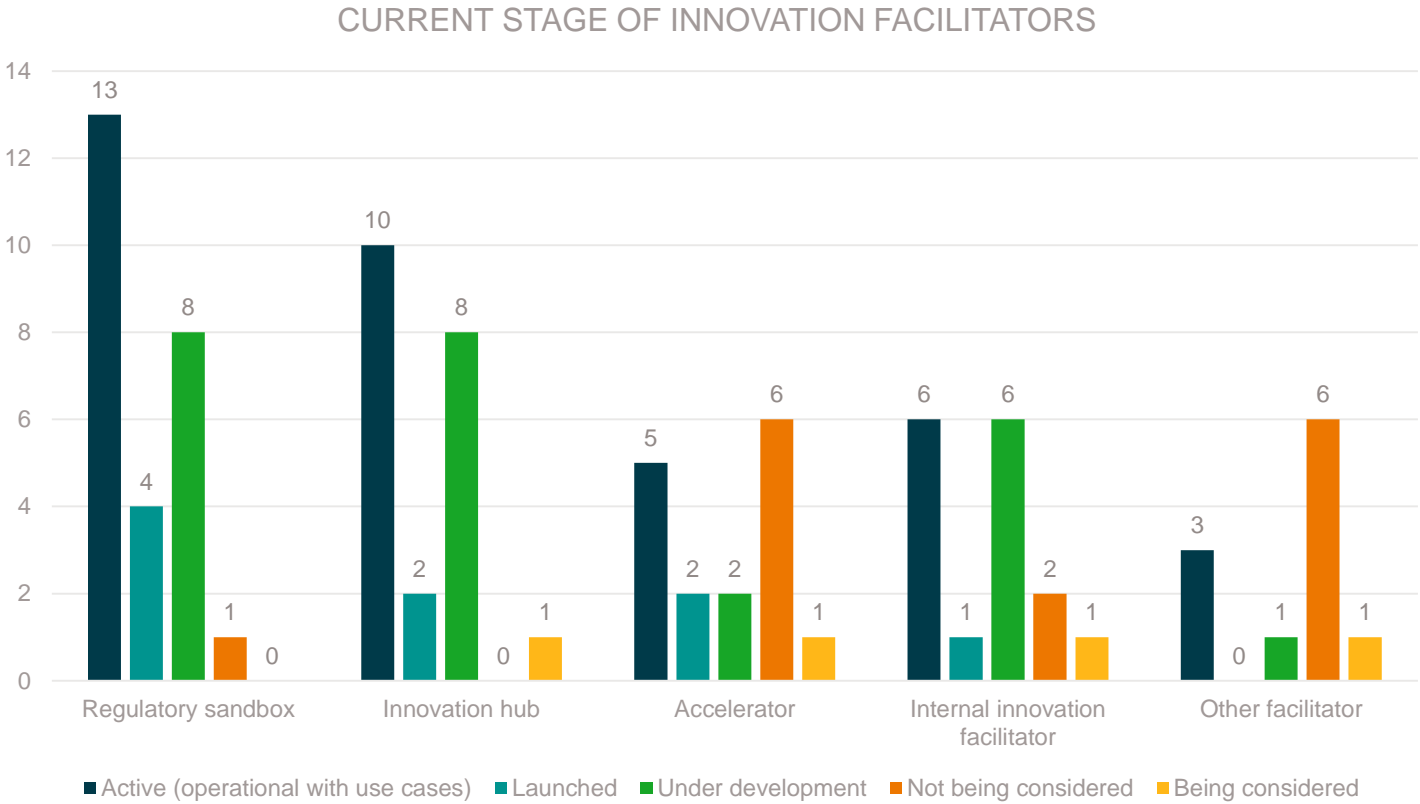
Survey Summary

- This survey was designed to provide the evidence base for a comparative understanding of how regulators across the world deal with innovation and the impact of their actions
- It complements similar initiatives (e.g. FSB, BIS, EBA and WBG-IMF Global Fintech Survey) and is meant to close the existing knowledge gaps while establishing a baseline for further measurement
- It was conducted between February and April 2019, with 62 financial sector regulators inquired, 31 total responses collected (27 fully completed) and 28 countries covered around the world
- The survey covers the following areas: (i) Law, Regulation and Innovation, (ii) Barriers to Innovation, (iii) Motivation for Innovation Facilitator(s), (iv) Implementation, (v) Resource, (vi) General Impact, and (vii) Regulatory Sandbox Specific Impact
- The country-level survey data received by CGAP and the World Bank Group are treated as confidential
- The aggregated data summarized in this slide deck will feed into a range of CGAP and the World Bank Group knowledge products

Innovation Facilitators Around the World



The most popular innovation facilitators in operation are regulatory sandboxes and innovation hubs

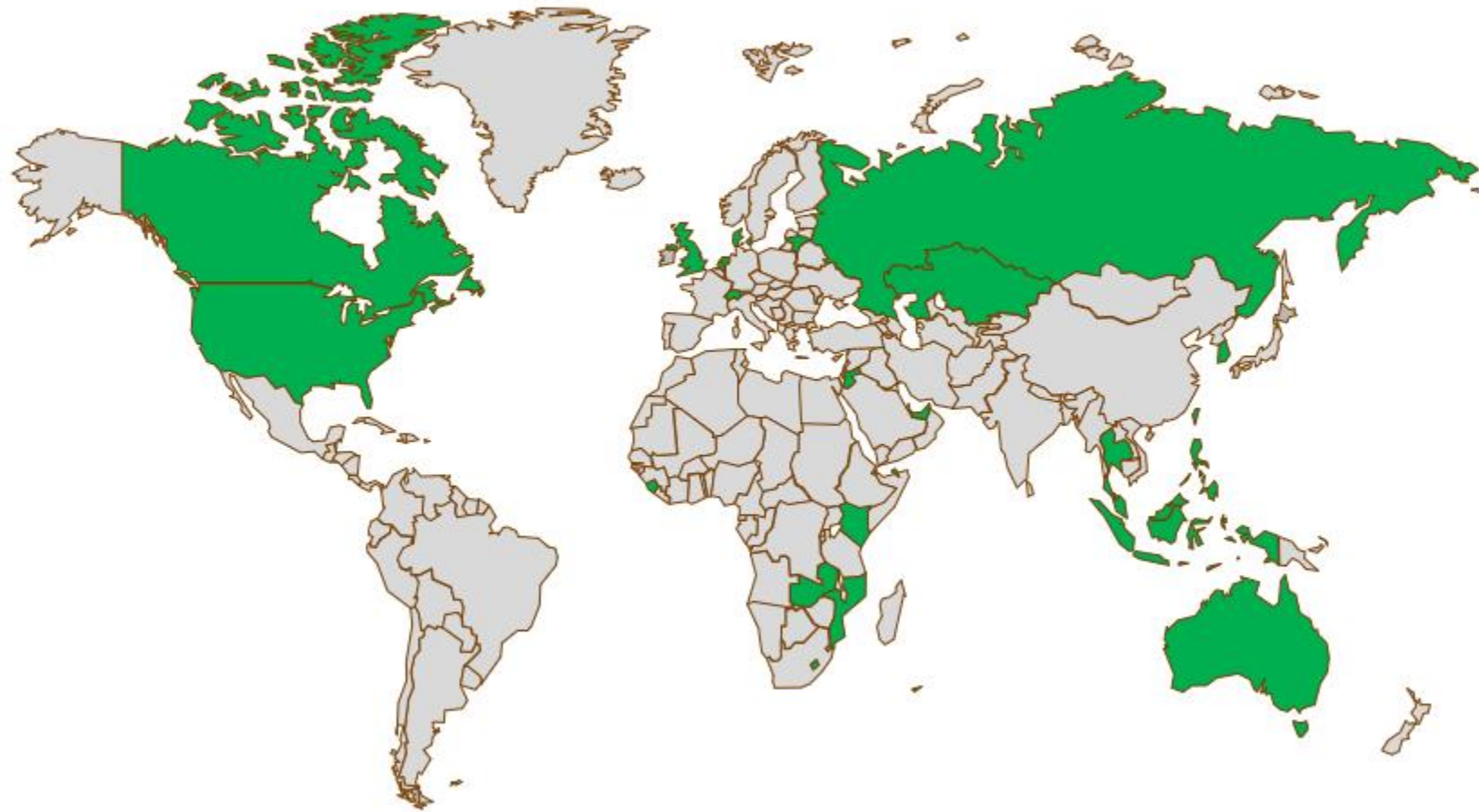


Answered: 26 Skipped: 5



Regulatory Sandboxes Around the World

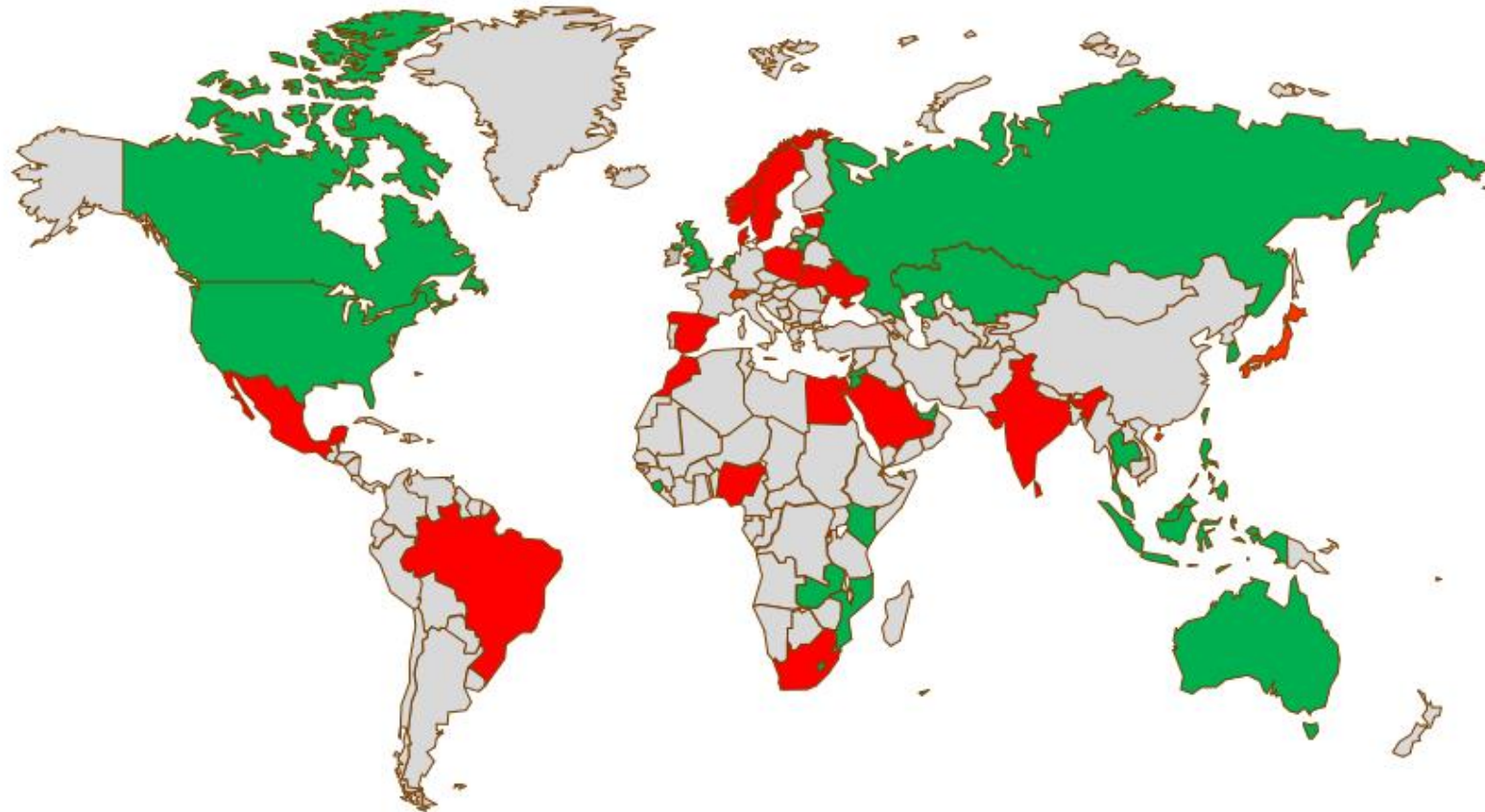
As of March 28th 2019



■ Countries with regulatory sandbox

Regulatory Sandboxes Around the World

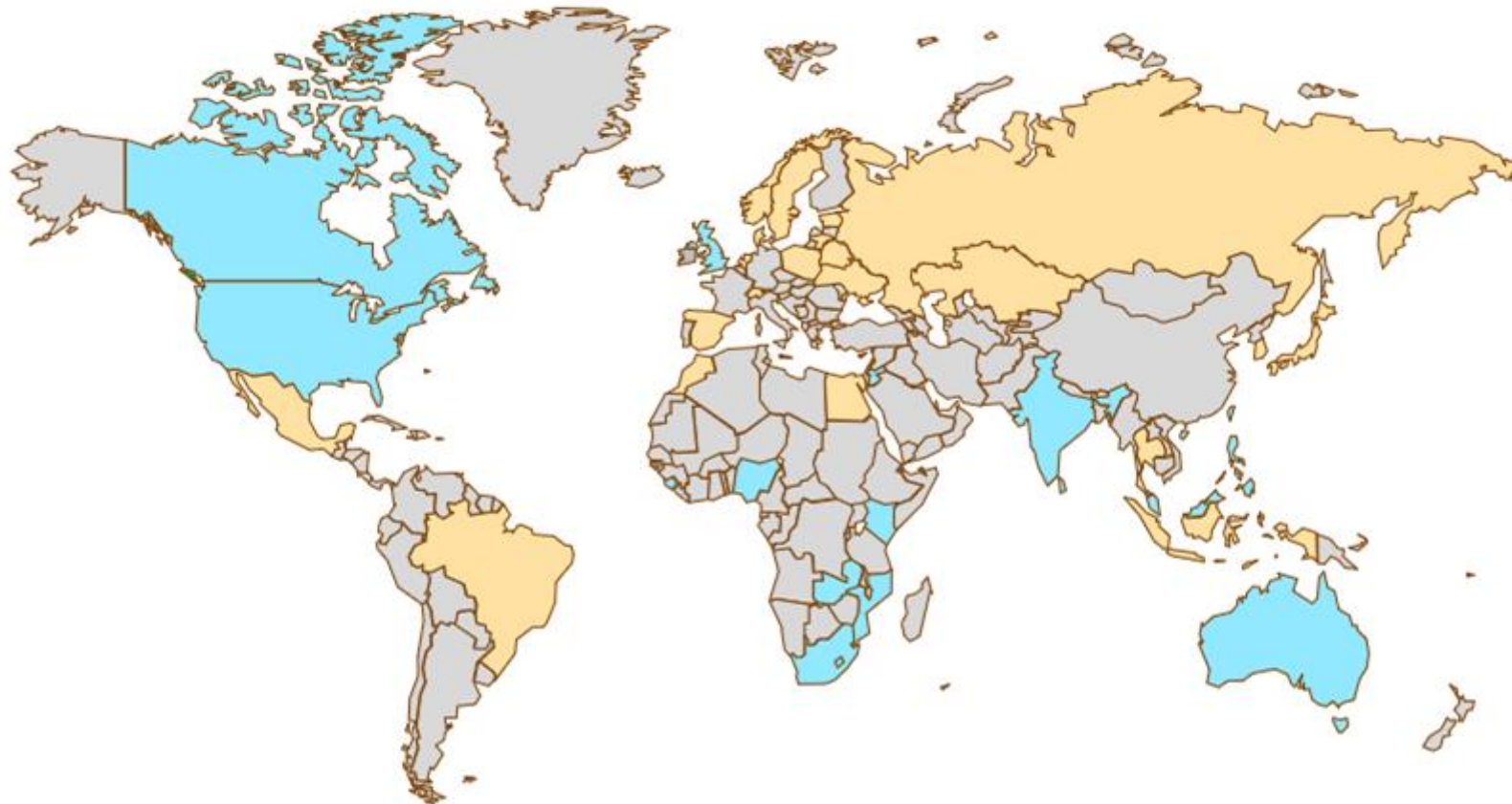
As of March 28th 2019



- Countries with regulatory sandbox
- Countries considering regulatory sandbox

Regulatory Sandboxes Around the World

There is no significant dominance of any particular legal system



■ Civil law-based countries
■ Common law-based countries

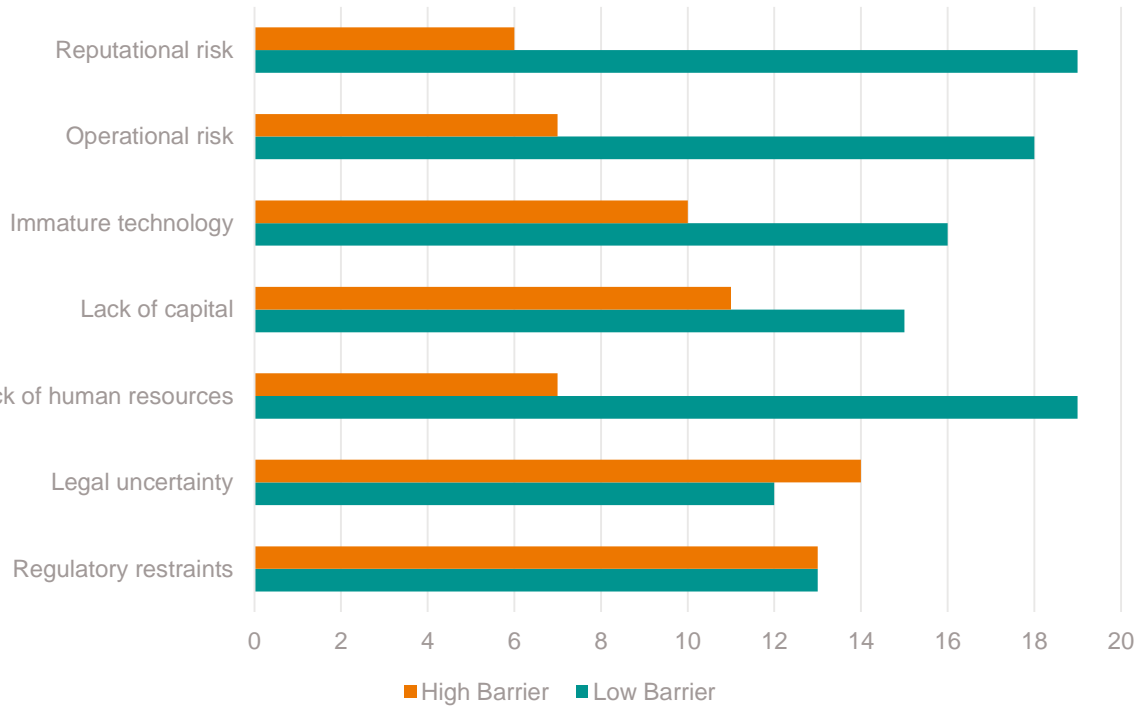
Source: Wikipedia

Motivations for Considering an Innovation Facilitator



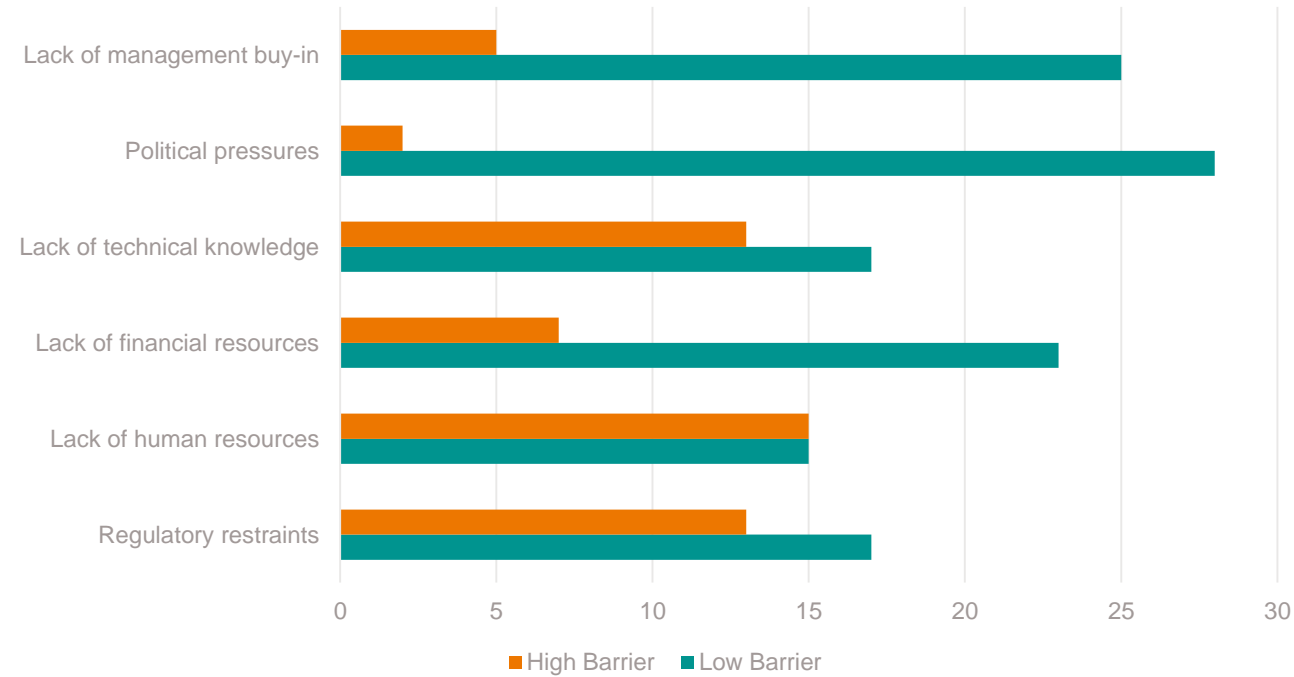
Regulators see regulation as a key barrier to financial innovation

MAIN BARRIERS TO FINANCIAL INNOVATION IN SELECTED JURISDICTIONS



Answered: 26 Skipped: 5

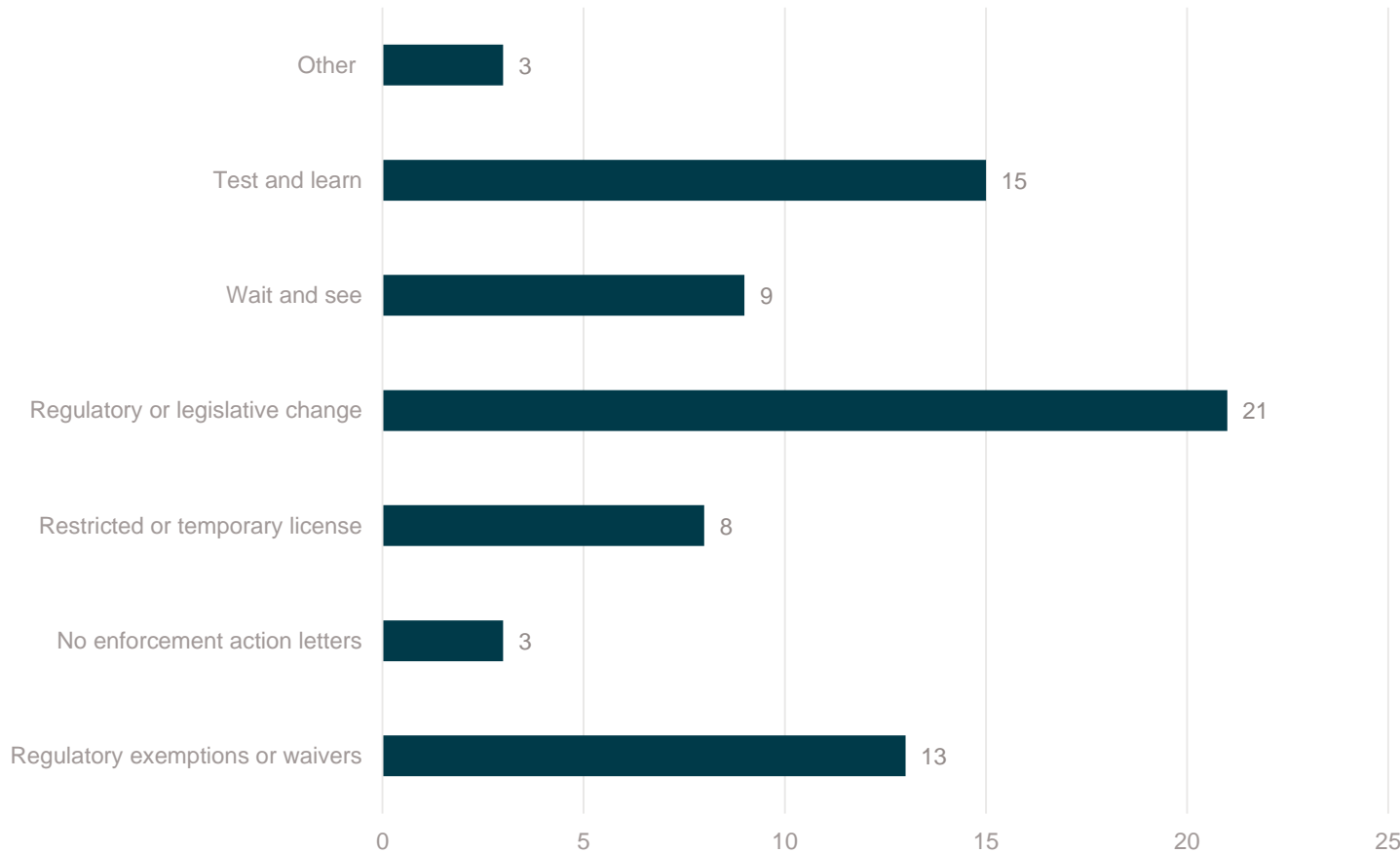
MAIN BARRIERS PREVENTING REGULATORS FROM RESPONDING TO INNOVATION EFFECTIVELY



Answered: 30 Skipped: 1

Most regulators react to innovation by adjusting/adopting regulation

PRACTICED RESPONSES TO INNOVATION OUTSIDE THE LEGAL AND REGULATORY FRAMEWORK

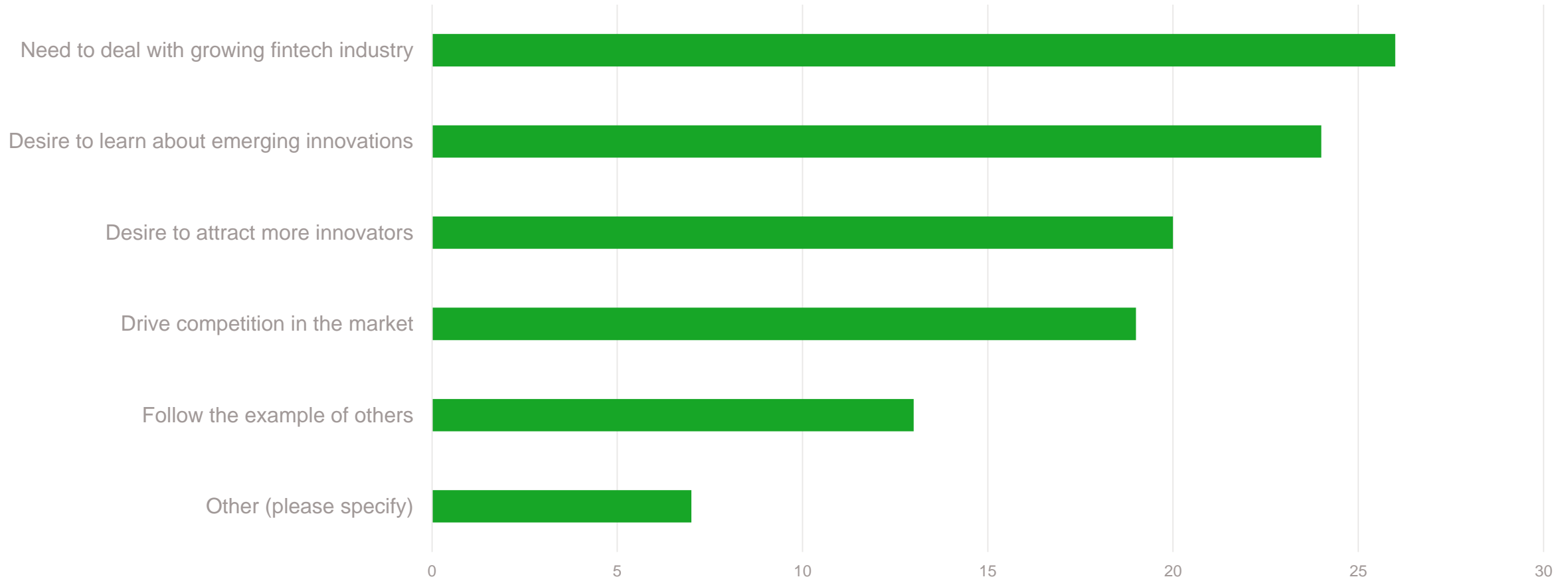


Have there been any regulatory changes as a consequence of your organization's innovation facilitator(s)? (Answered: 24, Skipped: 7)
No – 13
Yes – 11

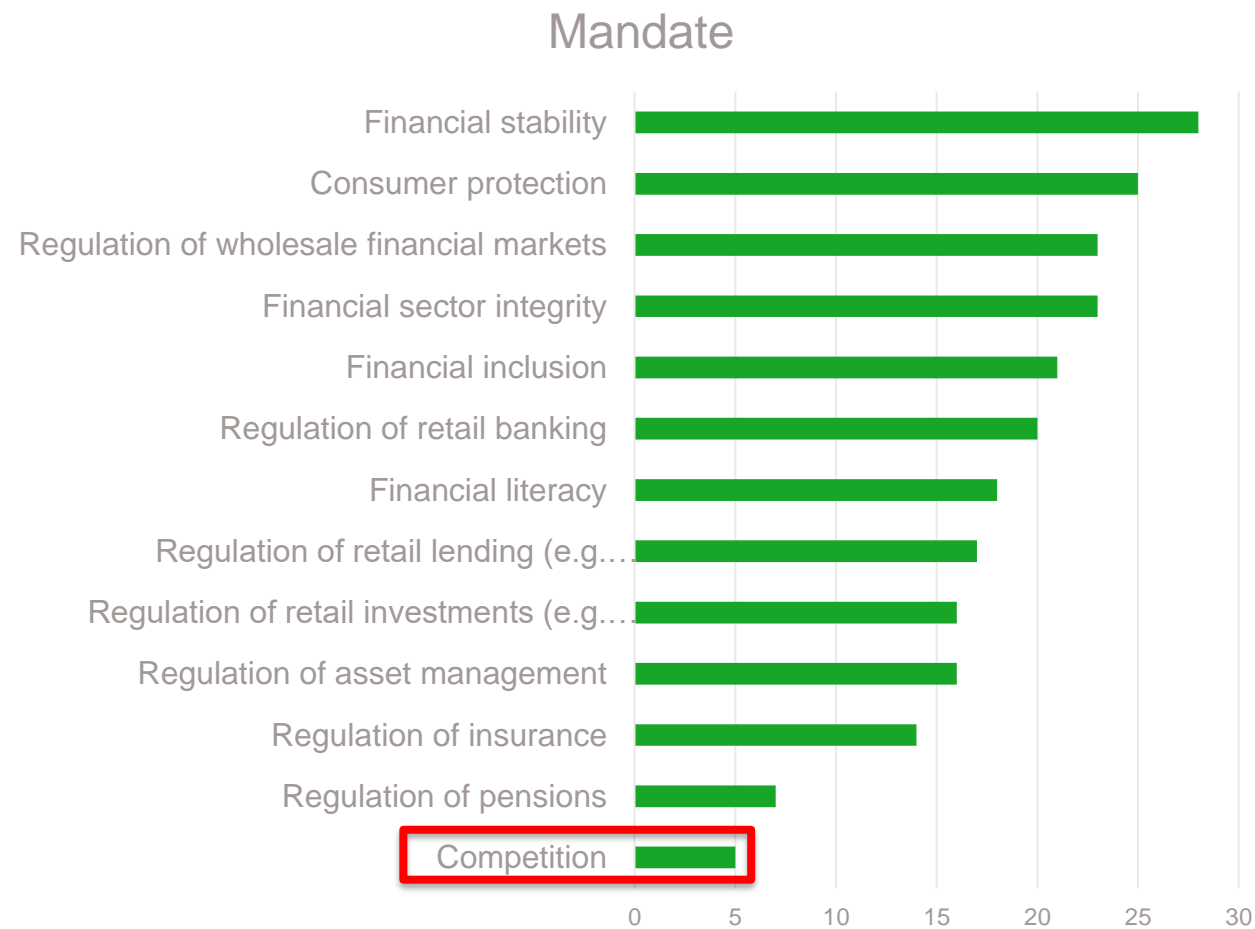
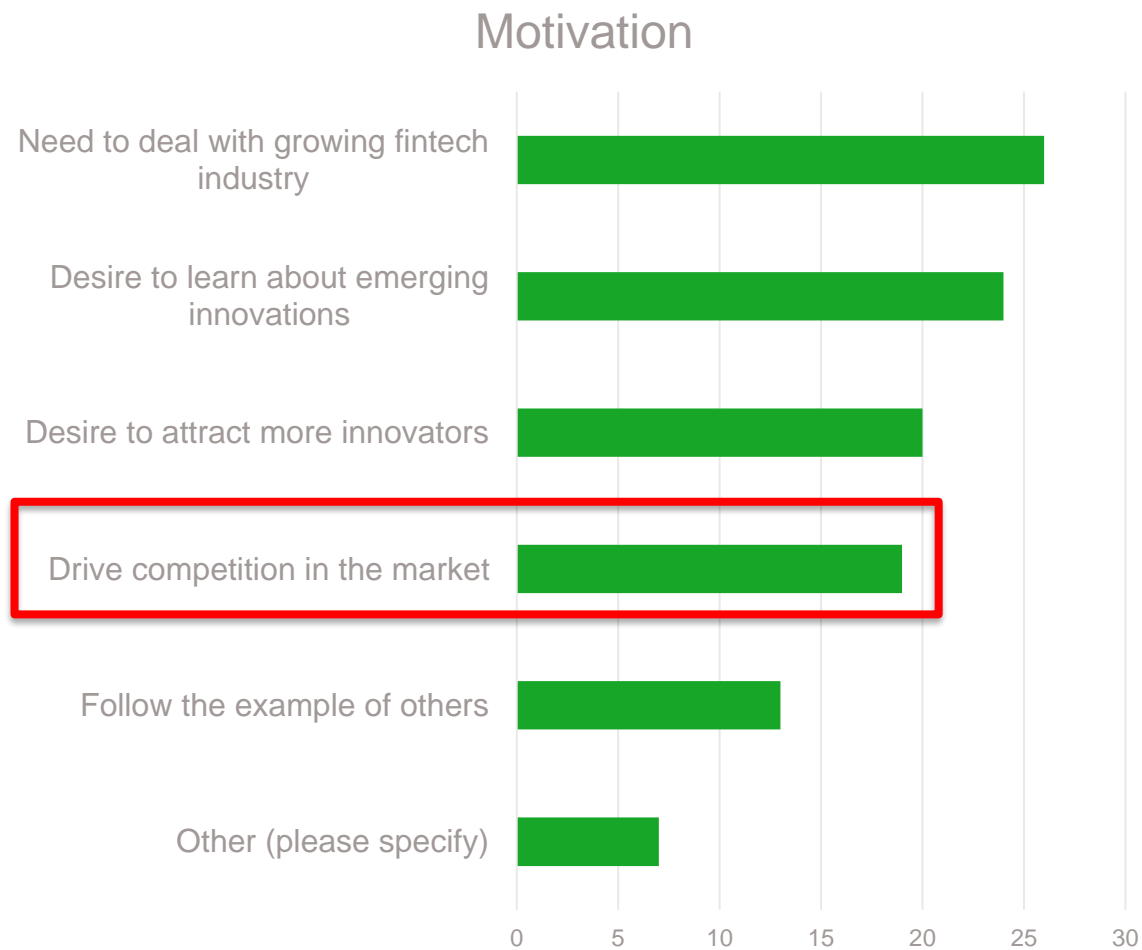
Did any laws or regulatory powers need to be amended to allow for the creation of the innovation facilitator(s)? (Answered: 29, Skipped: 2)
No – 23
Yes – 6

In the fast-paced world of FinTech, regulators seek new tools to keep up to speed

MOTIVATIONS FOR CONSIDERING INNOVATION FACILITATOR(S)



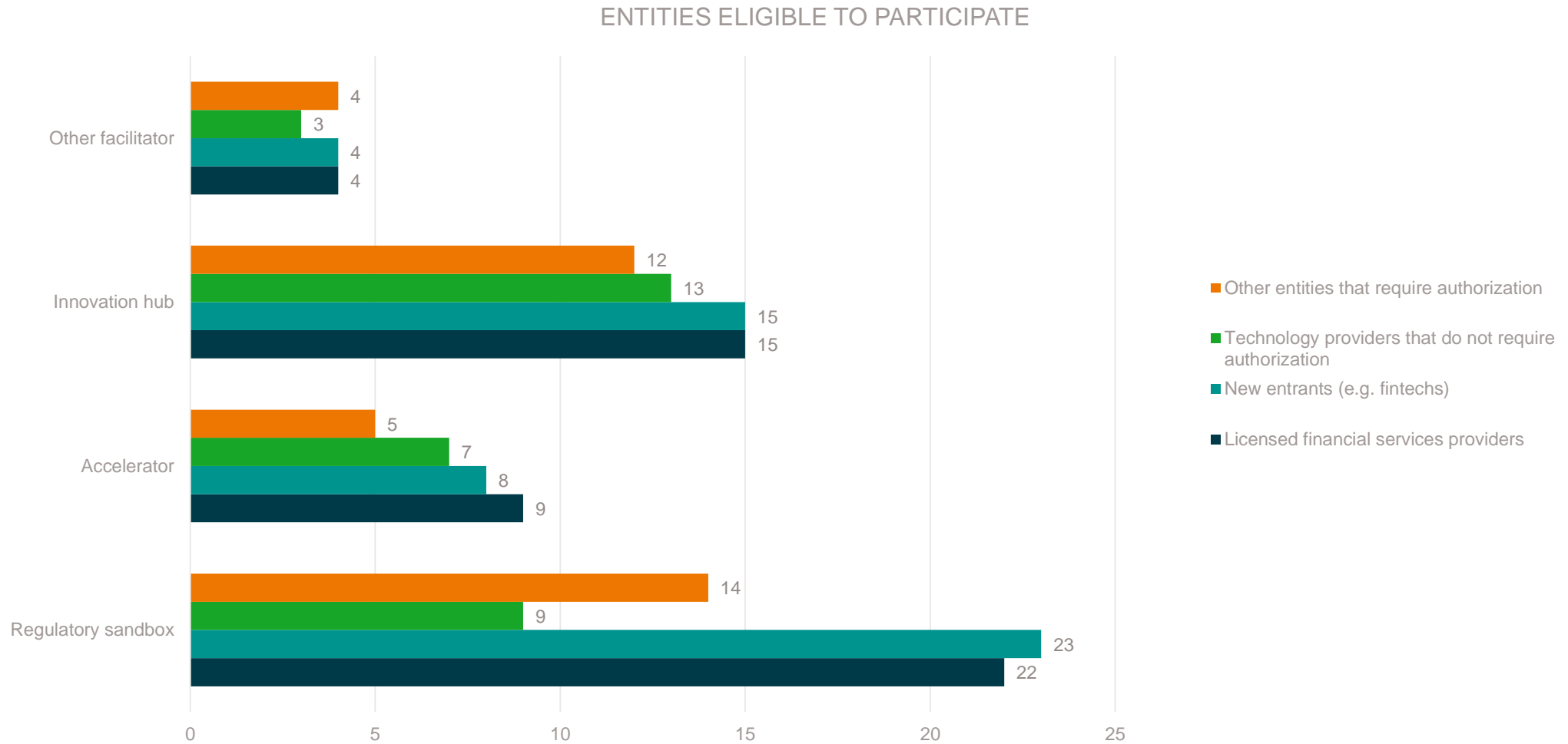
Motivations driving implementation of innovations facilitators are not always aligned with legal mandates



Who Can Benefit From Innovation Facilitators and How?

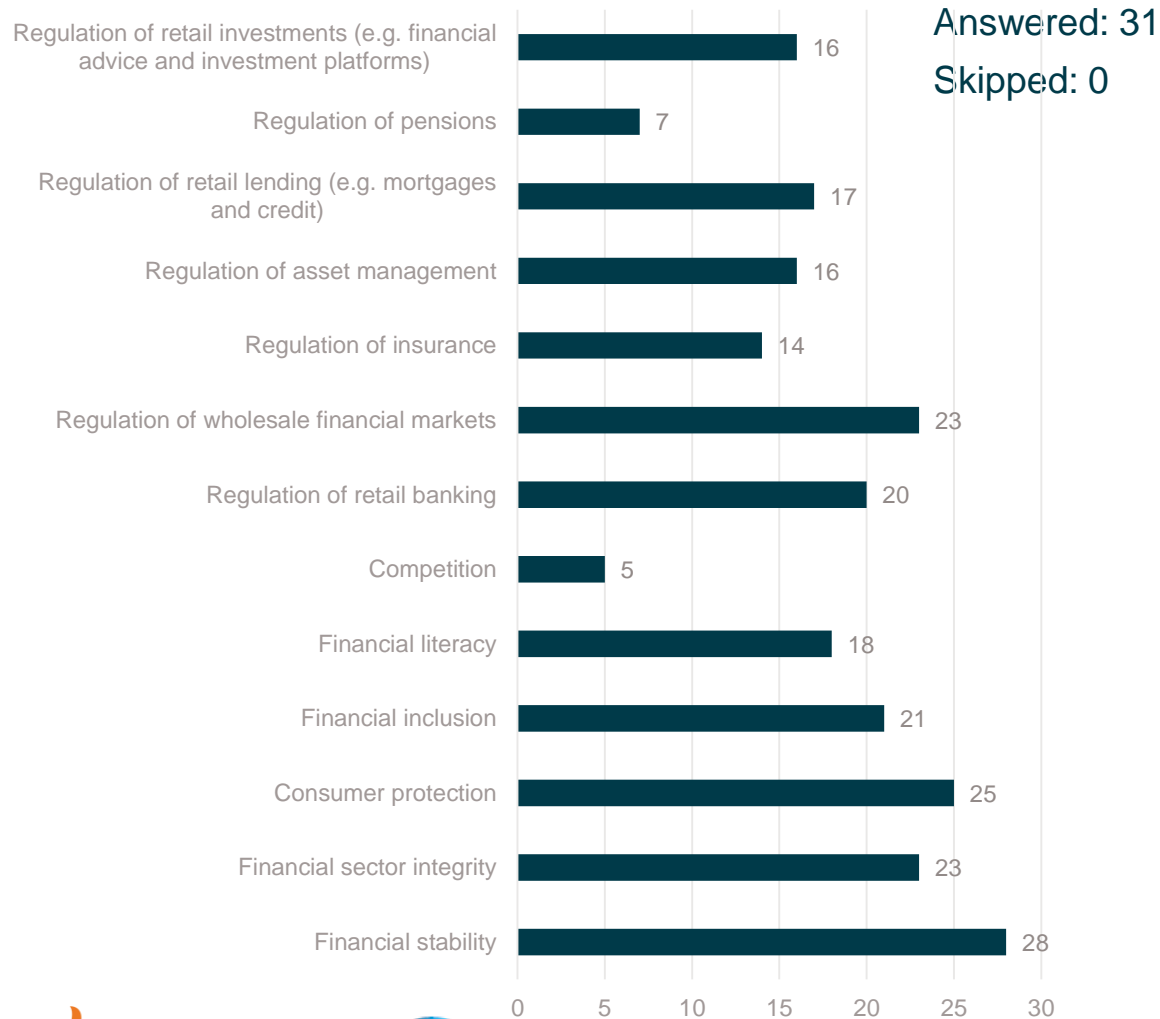


Most innovation facilitators are available to both authorized financial institutions & start-ups



Sectors represented correspond with the regulatory remit of the sponsoring agency

ORGANIZATION'S MANDATES

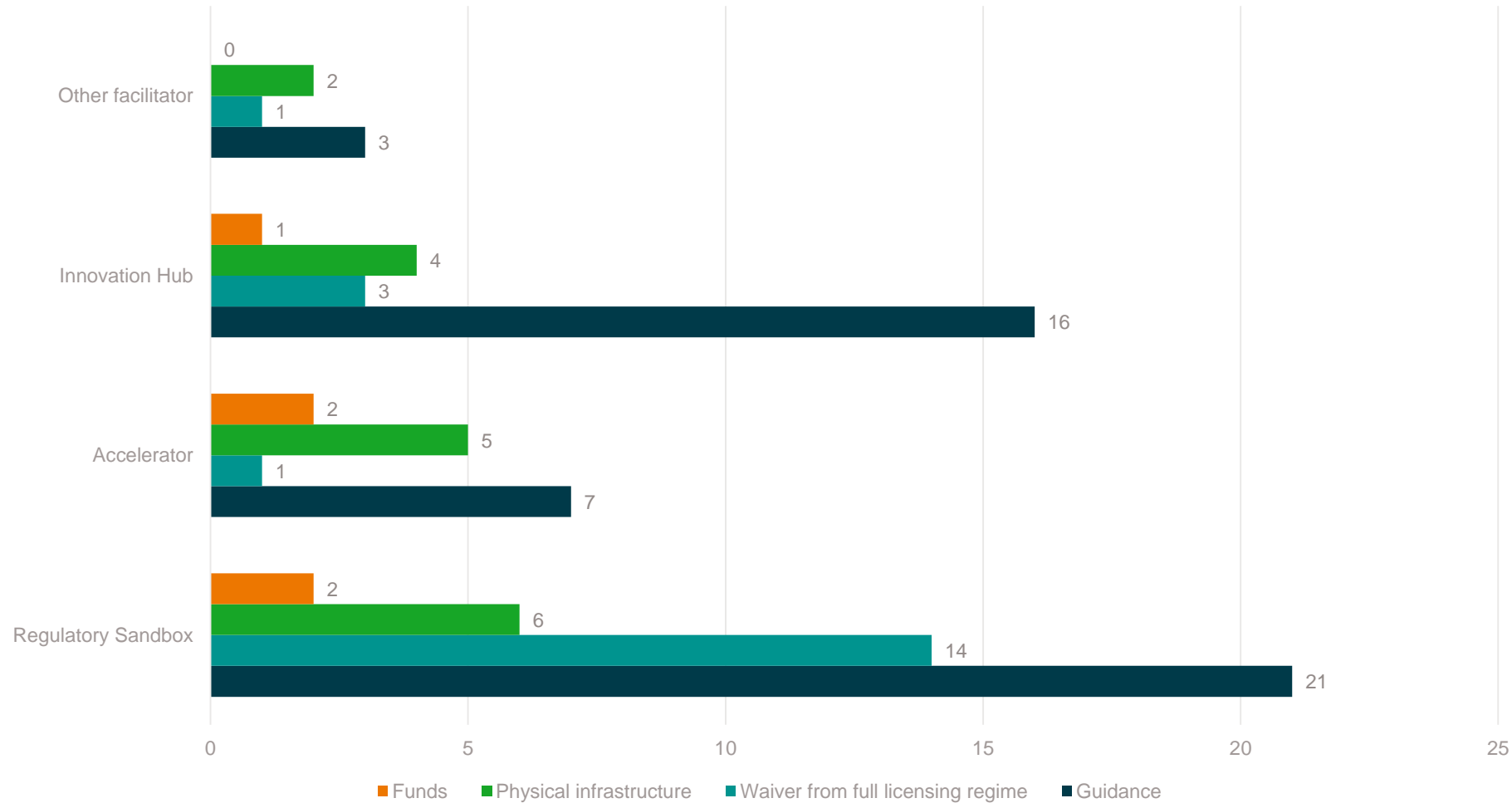


MOST COMMON SECTORS REPRESENTED BY PARTICIPATING PROVIDERS



Guidance is the main benefit that innovation facilitators offer to participating firms

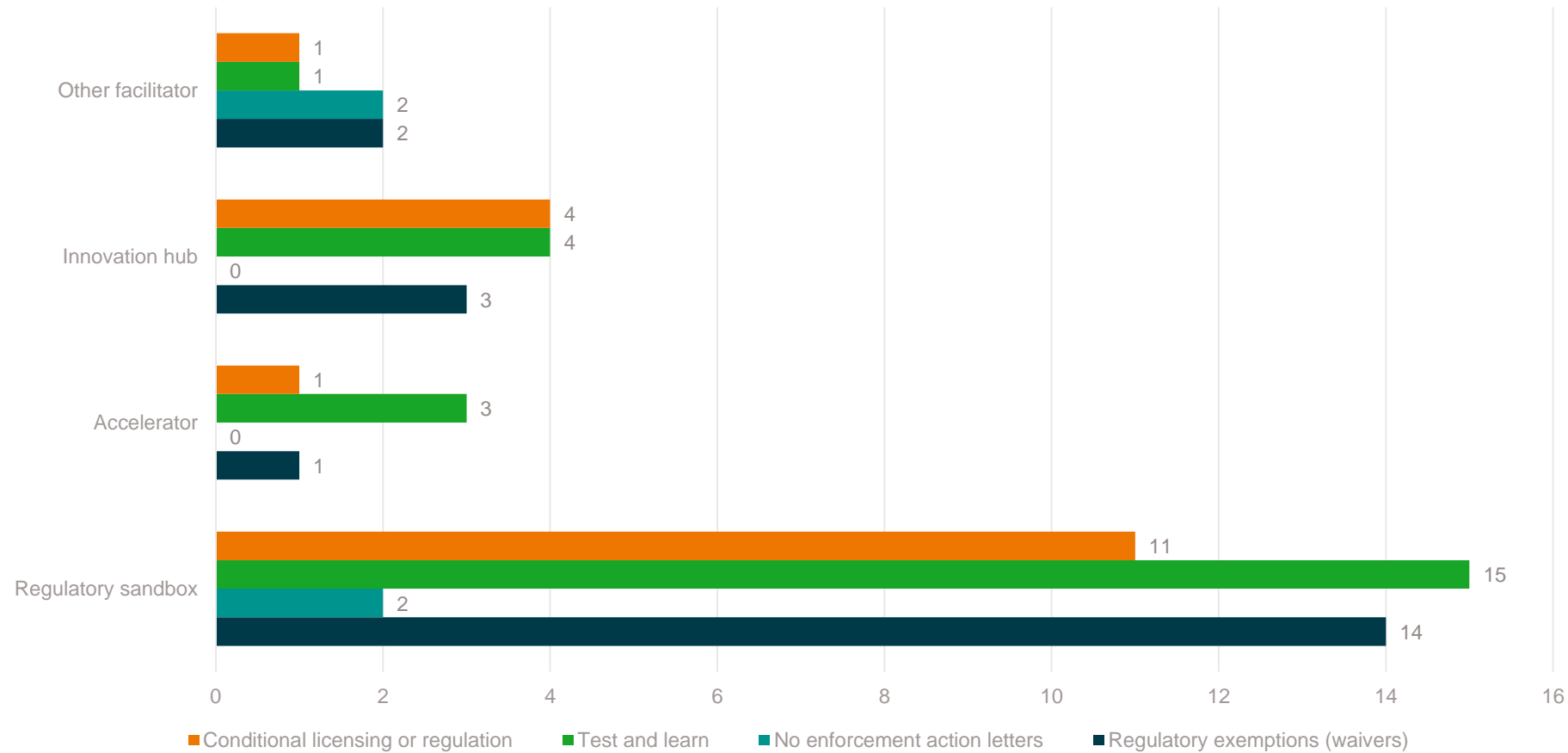
SERVICES OFFERED TO ACCEPTED PROVIDERS



Answered: 28
Skipped: 3

Testing firms also benefit from limited, temporary regulatory exemptions

REGULATORY DISCRETIONS APPLIED TO ACCEPTED PROVIDERS

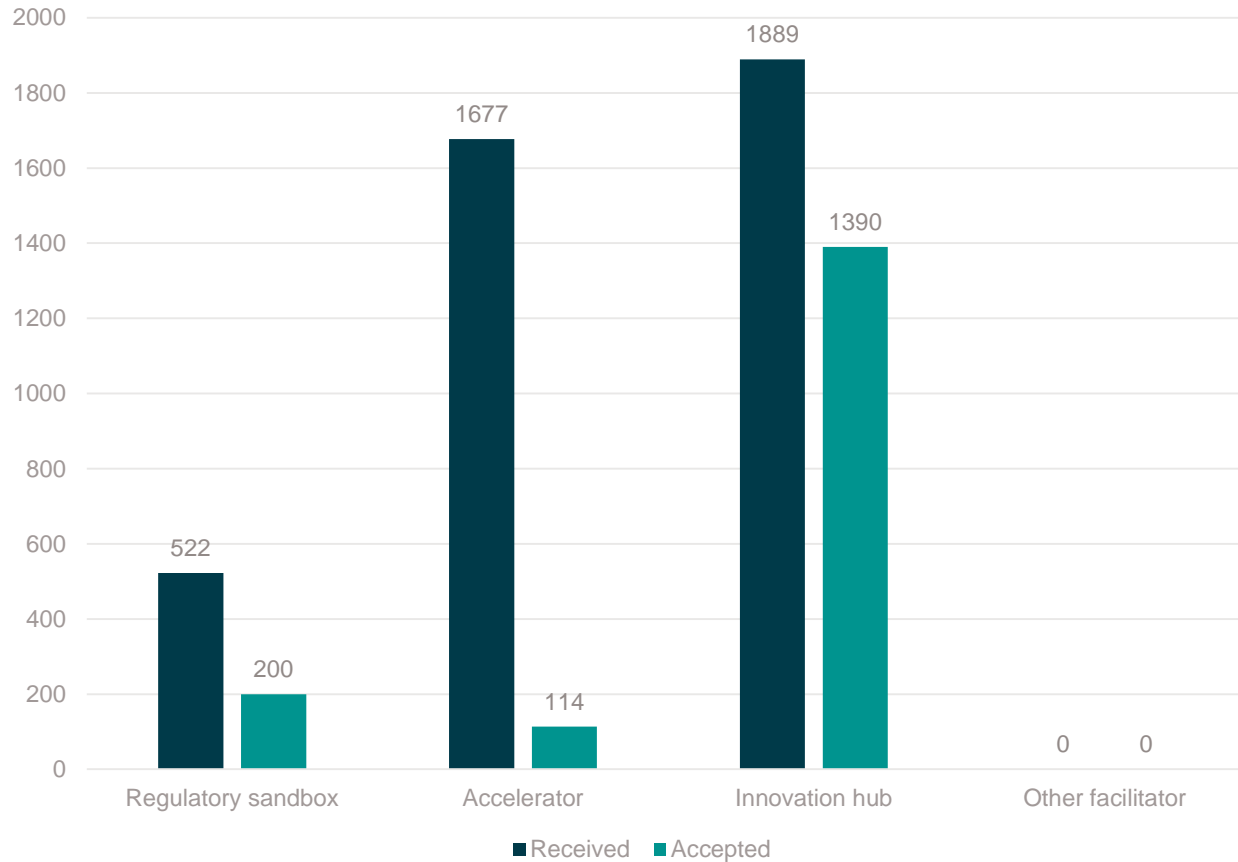


Answered: 18

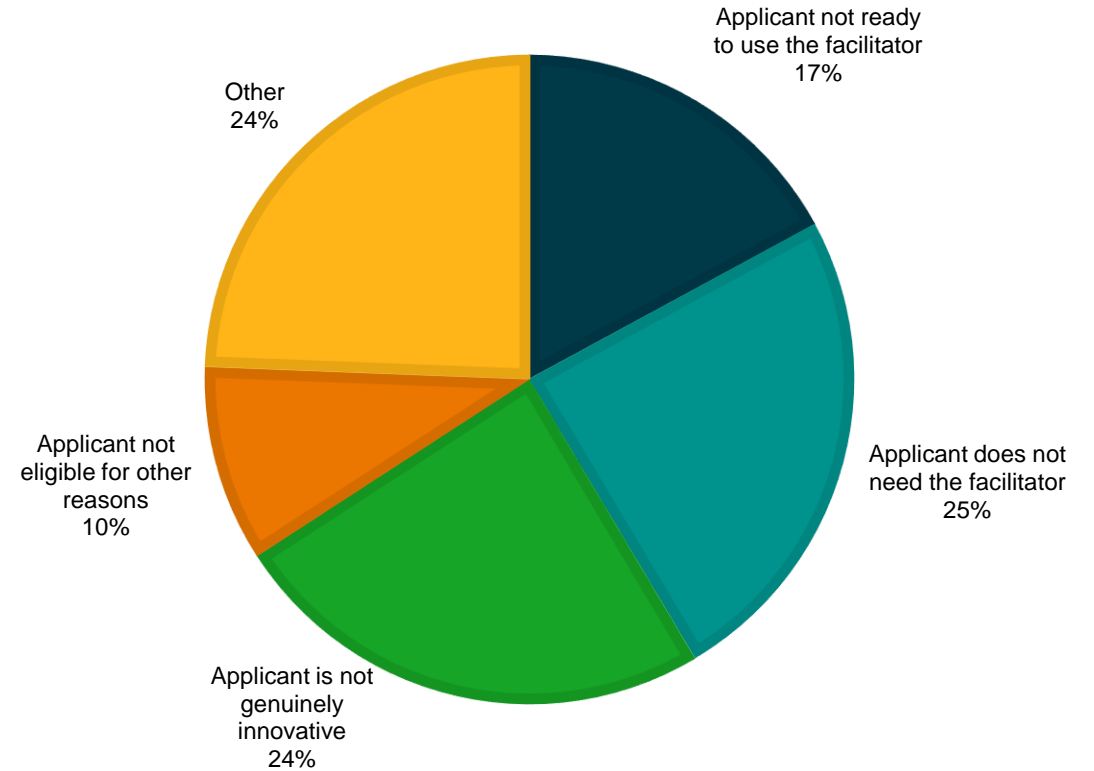
Skipped: 13

Regulatory sandboxes serve fewer firms than accelerators and innovation hubs

FORMAL APPLICATIONS THAT HAVE BEEN RECEIVED VS ACCEPTED FOR THE INNOVATION FACILITATOR(S)



REASONS FOR REJECTING APPLICATIONS



Answered: 20

Skipped: 11

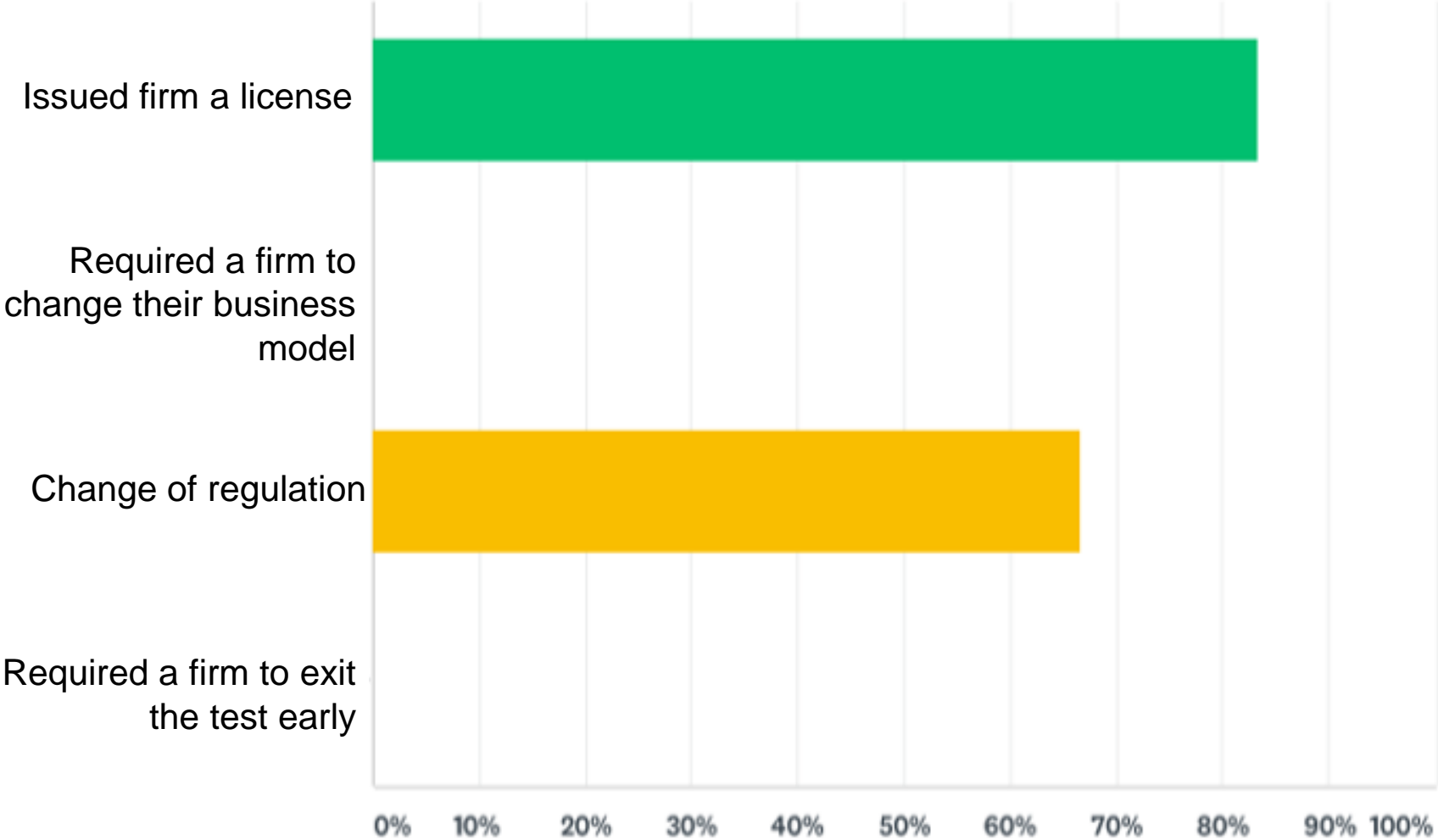
Are Innovation Facilitators a Regulatory Wild West?



Live tests are safeguarded by various measures, mostly meant to protect consumers and market integrity



Successful sandbox tests result in full authorization and/or regulatory change



Acknowledgements

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