



Enabling Framework for Regulatory Sandbox Application Form

Application Checklist

Application to the Regulatory Sandbox must include the following supporting documentation:

- 1. Application Form duly filled-in**
- 2. Copy of incorporation and registration documents of the entity**
- 3. Declaration and Undertaking by promoters/directors and requisite documents as prescribed in the Annex I and Annex II**
- 4. Model Test Design as prescribed in Annex III**
- 5. Latest Audited Balance sheet, if available**
- 6. Certificate of Net worth from Statutory Auditor**

The filled in application form together with enclosures (maximum size 10 MB) may be mailed at fintech@rbi.org.in

For any queries or clarifications, you may contact FinTech Department at
022-22601000 Extn: 2630/ 2216/ 2387

I. General Information

1.	Applicant Name (Name of the entity)	
2.	Name of product/service/ technology to be tested in RS	
3.	Mention the theme of the cohort under which you are applying	
4.	Corporate Identity Number or Company Identification Number (CIN)	
5.	Full names of all promoters/directors with their Director Identification Number (DIN)	
6.	Key managerial resources	
7.	Address of registered Head Office and Phone Number	
8.	Email and Website URL (if available)	
9.	i. Name of the nodal/alternate contact person ii. Designation in the company / firm iii. Telephone number iv. Mobile number v. Email address	
10.	i. Is your business or any affiliated business currently registered/licensed in India? If yes, please provide details of the same. ii. Is your business or any affiliated business currently registered/licensed outside India? If yes, please provide details of the same.	
11.	i. Is your business or any affiliated business currently supervised by any regulator in India? If yes, please provide details of the same. ii. Is your business or any affiliated business currently supervised by any regulator outside India? If yes, please provide details of the same.	
12.	Please describe the nature and scale of your operations in India and provide a brief on your core business. (200 words)	

13.	Please provide details of bank/ NBFC/ other partners to be associated with the live testing under the RS. i. Name(s) of the entity (ies) ii. Contact details of key person designated for sandbox process iii. A description of their role iv. Details of contractual agreements with the(se) firms, including their liabilities in the sandbox process.	
14.	i. What is the Net worth of your entity as per the latest audited Balance Sheet?	
	ii. Auditor's Certificate Attached (Yes/No)	
	iii. The source of funds may also be indicated. (Details)	
15.	Whether your entity is a borrower of a Bank/ NBFC/Financial Institution? If Yes, provide details.	
16.	Whether your entity has been declared as a defaulter of any Bank/NBFC or Financial Institution? If yes, mention the details	

II. Details of the Proposal

Please limit written responses to 200 words per question. Additional information may be provided as supporting documents.

1.	Please provide a brief description of your innovative product/ service/ technology which you intend to test in RS. The complete product details along with a schematic depiction of the process flow of working of your product/ service/ technology may be attached to this application form.	
2.	How does your product/services/technology come under the applied theme of the RS?	
3.	Explain how your proposed product/service/ technology i. Falls under the regulatory ambit of RBI and/or ii. Provides financial services to entities regulated by RBI.	
4.	i. What will be the underlying technology/platform used to offer your product / service?	

	<p>ii. Whether it will be an already existing technology or a novel technology/platform?</p>	
	<p>iii. Describe how you are applying a different technology or applying the same technology in a more efficient and effective manner vis-à-vis the existing products/service in the marketplace.</p>	
5.	Provide evidence of Proof of Concept (PoC) including any relevant experiences / testing of use cases prior to this application for testing under RS.	
6.	<p>i. Which existing gap in the financial ecosystem your product/service/technology is trying to address?</p> <p>ii. Describe how your product/service/technology would address the gap and bring benefits to consumers, either directly or indirectly.</p>	
7.	<p>i. Mention specifically if your product/service/technology faces a regulatory barrier that prevents its' deployment at scale.</p> <p>ii. If there is absence of regulation in respect of your product/service/technology or it raises any inter-regulatory concerns, please give details of the same.</p> <p>iii. What regulatory relaxations, if any, are required to facilitate testing of your product/service/technology?</p>	
8.	<p>i. Whether, your product/ service/ technology is currently ready for testing under RS.</p> <p>ii. Please give a definite timeline for integration of your product/ service/ technology with your partners.</p>	
9.	Explain how your product/service/technology would benefit from participation in the Sandbox.	
10.	Provide details of the IT infrastructure (technology/ APIs/ Application platforms/ network application, etc.) and managerial resource used for end-to-end RS processing.	
11.	Provide the details of various IT risks that you are exposed to and how it intends to handle such risk.	
12.	<p>Describe the safeguards in your IT systems to protect against:</p> <p>i. unauthorized access</p> <p>ii. alteration, destruction, disclosure or dissemination of records and data.</p>	

13.	<p>Describe the measures proposed to be taken :</p> <ul style="list-style-type: none"> (i) To comply with customer privacy & data protection norms (ii) For secure storage of and access to payment data of consumer. 	
-----	---	--

III. Test Design

1.	<p>Describe in detail the test scenarios of the sandbox experimentation along with the expected timeline and key milestones. (A model Test design is given at Annex III)</p>	
2.	<p>Please indicate the proposed boundaries in the sandbox with justification such as:</p> <ul style="list-style-type: none"> i. Duration required for conducting the test ii. Target customer type iii. Limit on the number of customers involved Transaction ceiling iv. Cash holding limits v. Cap on customer losses <p>(Please indicate any other boundary conditions you would like to propose for the product/service/technology)</p>	
3.	<p>i. Indicate the expected outcomes of the testing process.</p> <p>ii. Indicate the success parameters for Key Performance Indicators as indicated in question no. 2.</p>	
4.	Describe how you intend to meet the regulatory requirements after exiting the RS	
5.	<p>i. Describe the key risks associated (to both consumers and your business) with your product/ service and the relevant risk assessment measures and risk mitigation plan.</p> <p>ii. Please indicate the quantum of liability which may devolve on you during testing within the boundary conditions indicated.</p> <p>iii. Describe how you intend to meet the liabilities. Provide the details of insurance (professional indemnity/ cybersecurity errors/ Technology errors) which you shall obtain for the same.</p>	

6.	How do you intend to acquire/ source customers for the testing?	
7.	Indicate mechanism for obtaining informed consent from test customers (about potential risks and the available compensation).	
8.	Mention how you will be handling customer's queries, feedback or complaints. (provide details of the mechanism telephone, mail, chat and also any software or portal which would be used)	
9.	Describe the arrangement put in place to allow customers to withdraw from the test at any stage.	
10.	Give details of Business Continuity Plan during testing phase, if any.	
11.	Describe your transition / exit strategy: i. Strategy to scale-up innovation to a broader market in case the testing is successful. ii. Action plan to ensure that customer's interest is protected, in case the testing has to be discontinued as per RBI direction or entity's own request.	

IV. Submission

- i. The application form and the required supporting documentation must be submitted to RBI by email to fintech@rbi.org.in.
- ii. It may be noted that the incompleteness and non-clarity of the information provided in the application may result in rejection of application.
- iii. Additional information and/ or documents may be required to be furnished, where necessary.

V. Declaration by the applicant

- i. I declare that the product/service/technology, does not fall under the negative list as enumerated in Para 6.3 of the Enabling Framework for Regulatory Sandbox
- ii. The information furnished in the Application form, Annex I & II, and other documents is true and complete to the best of my knowledge and belief. I undertake to keep the RBI fully informed, of any change in the documents submitted for admission to the sandbox.
- iii. I acknowledge the fact that although all application material will remain confidential, 'RBI shall reserve the right to publish any relevant information about the RS applicants on its website, including for the purpose of knowledge transfer and collaboration with other international regulatory agencies without revealing any proprietary/intellectual property rights related information'

- iv. I acknowledge that the decision of the RBI on all aspects related to Regulatory Sandbox is final and I agree to abide by it.
- v. I declare that the innovation above is original and does not violate the intellectual property rights of others.

Authorised Signatory

Name

Date

Place

Company Seal

'Fit and Proper' Criteria for Director(s)/Promoter(s)¹ / Partner(s) of the Sandbox Entities

1. The Reserve Bank of India (RBI) shall satisfy itself that the promoter(s)/director(s)/partner(s) of the sandbox entity to be accepted to the regulatory sandbox (RS) meets the 'fit & proper' criteria based on the following documents submitted for each of the promoter(s)/director(s):
 - a. Permanent Account Number under the Income Tax Act, 1961
 - b. Director Identification Number
 - c. Bank account details including loan accounts
 - d. Reference report obtained from regulators under which the entity is registered/licensed
 - e. Other documents/reports listed under para no. 2 for each of the promoter(s)/director(s)/partner(s) of the entity
2. For the purpose of due diligence of the promoter(s)/director(s)/partner(s), in addition to the above, the entity shall obtain a 'declaration and undertaking' from the director(s)/promoter(s)/partner(s) in a standard format as furnished in Annex II. A copy of the same shall be forwarded to the RBI.

¹ Including independent Directors

**Declaration and Undertaking by
Promoter/Director/Partner
(with enclosures as appropriate on _____)**

I.	Personal details of promoter/director/partner	
a.	Full name	
b.	Date of Birth	
c.	Educational Qualifications	
d.	Relevant Background and Experience	
e.	Permanent Address	
f.	Present Address	
g.	E-mail Address/Telephone Number	
h.	Permanent Account Number under the Income Tax Act, 1961	
i.	Director Identification Number	
II	Relevant Relationships of promoter/director/partner	
a.	List of relatives, if any, who are connected with the entity (refer to Section 6 and Schedule 1A of the Companies Act, 1956).	
b.	List of entities, if any, in which he/she is considered as being interested (refer to Section 299(3)(a) and Section 300 of the Companies Act, 1956).	
c.	Fund and non-fund facilities, if any, presently availed of by him/her and/or by entities listed in II(b) above from the bank.	
d.	Cases, if any, where the director or entities listed in II(b) above are in default or have been in default in the past in respect of credit facilities obtained from the bank or any other bank.	
III	Records of professional achievements	
a.	Professional achievements relevant.	
IV.	Proceedings, if any, against the promoter/director/partner	

	a. If the director is a member of a professional association/body, details of disciplinary action, if any, pending or commenced or resulting in conviction in the past against him/her or whether he/she has been banned from entry of at any profession/occupation at any time.	
	b. Details of prosecution, if any, pending or commenced or resulting in conviction in the past against the director and/or against any of the entities listed in II(b) above for violation of economic laws and regulations.	
	c. Details of criminal prosecution, if any, pending or commenced or resulting in conviction in the past against the director.	
	d. Whether the director attracts any of the disqualifications envisaged under Section 274 of the Company's Act 1956?	
	e. Has the director or any of the entities at II(b) above been subject to any investigation at the instance of a government department or agency?	
	f. Has the director at any time been found guilty of violation of rules/regulations/legislative requirements by customs/excise/income tax/foreign exchange/other revenue authorities? If so, give particulars.	
	g. Whether the director at any time has come to the adverse notice of a regulator such as RBI, SEBI, IRDA, MCA.	
	<u>Undertaking</u>	
	I confirm that the above information is to the best of my knowledge and belief and is true and complete. I undertake to keep the entity fully informed, as soon as possible, of all events which take place subsequent to my appointment, which are relevant to the information provided above.	
	Place :	Signature of promoter/director/partner
	Date :	

Model Test Design (to be submitted by applicant along with the application)**Name of the applicant:****A. Product:** (Describe the product in brief)**B. Process flow of the product:****C. Name of the Bank/ NBFC/ other partners for live testing:****D. Test Scenario**

Sl. No	Parameters	Details
1.	Use Cases proposed to be tested in RS	
2.	Location	
3.	Targets	
	a. No. of Customer	
	b. Customer adoption and activation	
	c. No. of Merchants/Service Providers	
	d. No. of Active agents	
4.	Key Performance Indicators	
	a. No. of transactions per month	
	b. Percentage of successful transaction	
	c. Percentage of unreconciled transactions	
	d. Turn Around Time (TAT) for reconciliation	
	e. Percentage of complaints (to total transactions)	
	f. TAT for complaints	
	g. Percentage of customer dropouts	

	h. Percentage of merchant dropouts	
	i. Percentage of agent dropouts	
	j. Target rating from customers	
	k. Target rating from customers	
5.	Boundary conditions	
	a. Testing Period	
	b. Start and end date of Testing	
	c. Transaction ceiling	
	d. Cap on Customer losses	
6.	Risk & mitigation	
	a. Loss/compromise of data and data privacy/storage	
	b. Technical issue with software / hardware	
	c. Loss/ theft/ misuse of card	
7.	Methodology adopted for conducting the KYC of the customers	
8.	Explicit consent from customer/merchant	
9.	Exit mechanism for customers	
10.	Exit strategy for the entity	
11.	Reporting	
	a. Periodicity	
	b. Format	
	c. Medium	

(This is just a sample Test Design and any other KPI's and parameters relevant to the product/service/technology may also be added in the Test Design)