

## LEGAL UPDATE

19 August 2019

# MAS LAUNCHES SANDBOX EXPRESS FOR FASTER MARKET TESTING OF INNOVATIVE FINANCIAL SERVICES

### SUMMARY

The Monetary Authority of Singapore (“**MAS**”) has launched Sandbox Express to provide firms with a faster option to test innovative financial products and services in the market. Eligible applicants can begin market testing in the pre-defined environment of Sandbox Express within 21 days of applying to MAS instead of taking a longer time to customize their sandboxes under the existing FinTech Regulatory Sandbox.

The FinTech Regulatory Sandbox that was operational since 2016 remains open for applicants with more complex business models or where MAS requires more time to understand the risks of the activities.

This update introduces the objective and principles of Sandbox Express.

### BACKGROUND

The FinTech Regulatory Sandbox (the “**current sandbox approach**”) was launched in 2016 to facilitate live experiments of innovative financial services and business models within specified boundaries. The current sandbox approach

requires an extensive review of each application as each sandbox is customised to facilitate meaningful experiments while trying to contain the consequences of failure.

Sandbox Express is created to complement the current sandbox approach. The aim is to enable firms that intend to conduct certain activities regulated by MAS to quickly commence experimenting with their innovations within pre-determined boundaries, without having to go through the existing sandbox application. Instead, an application can be made under Sandbox Express.

### SANDBOX EXPRESS

Sandbox Express shortens the approval process for entry into the sandbox by relying on standard disclosures and pre-determined rules. Hence, Sandbox Express is only suitable for activities where the risks are low and well-understood by the market, and can be reasonably managed within pre-defined parameters.

For a start, Sandbox Express will be available specifically for insurance brokers, recognized market operators and remittance businesses. Each sandbox will have pre-defined boundaries, regulatory reliefs and expectations. Firms must comply with all conditions of approval including providing clear and proper disclosure to the customer as well as submitting regular progress reports to MAS.

Experiments can remain in Sandbox Express for up to nine months. This will provide firms with more time to overcome business and technical challenges during experimentation, and for MAS to address potential regulatory challenges. Firms could also use the longer duration to better prepare for exiting the sandbox and deploying their innovation on a larger scale.

Sandbox Express aims to complement the current sandbox approach by:

- (a) providing enterprising firms carrying on certain activities regulated by MAS with a faster option to bring innovative financial services or products to the market for testing; and

- (b) reducing the time and resources required of the applicants.

**REFERENCES**

Please click on the following links to access the documents.

1. [Sandbox Express Guidelines](#)
2. [MAS' press release dated 7 August 2019](#)

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