

# BANK OF GREECE REGULATORY SANDBOX

## FAQs



**BANK OF GREECE**  
**EUROSYSTEM**

## Overview

### **1. What is the Bank of Greece's Regulatory Sandbox?**

The Bank of Greece's (hereinafter the "BoG") Regulatory Sandbox constitutes a mechanism that enables participants to carry out small scale testing of innovations, in a controlled regulatory environment, within specified parameters and timeframes under the BoG's supervision and in direct cooperation with the BoG.

### **2. What does the BoG expect from you?**

Participants are expected to be open, honest and to co-operate with the BoG. Participants should provide any information that the BoG would reasonably expect to be made aware of. Most importantly, all participants should ensure that all necessary resources (including human, economic and technological resources) will be made available to drive the service/product testing forward throughout the Regulatory Sandbox lifecycle.

### **3. Is there any fee?**

No, participation in the Regulatory Sandbox is free of charge.

### **4. How does it work in practice?**

The Regulatory Sandbox involves four distinct phases: an application phase, a preparation phase, a testing phase and an evaluation/exit phase.

**Application Phase:** Firms interested in participating in the Sandbox must review the eligibility criteria and then fill in and submit their application. A case officer from the BoG shall be assigned to each applicant, to act as a dedicated point of contact throughout the applicant's journey in the Regulatory Sandbox.

All submitted applications will be reviewed by the BoG and propositions that meet the eligibility criteria will be considered for admission into the Regulatory Sandbox, subject to limitations that may be set by the BoG with respect to type and number of accepted applications and/or the number of concurrent tests that may be running within the Regulatory Sandbox at a time.

**Preparation phase:** Upon acceptance to the Regulatory Sandbox, eligible participants will work closely with the BoG to update and finalise the testing parameters, build in appropriate safeguards to mitigate potential risks, finalise the testing plan and discuss potential restrictions and conditions that must be met prior to testing.

**Testing phase:** Regulatory Sandbox participants can proceed with the testing phase and provide their solution in a "live" environment for up to 6 months, with the potential to apply for an extension of up to 6 additional months. *Customised guidance* will be provided by the BoG to the participant to facilitate navigation of the applicable regulatory and supervisory requirements and to provide any clarifications needed, vis-à-vis the innovative proposition

being tested. During this time, participants are expected to co-operate with the BoG, whilst the latter monitors and oversees compliance with the requirements agreed upon during the preparation phase as well as with the applicable regulatory and supervisory requirements. Throughout the testing period, participants will be required to regularly submit interim reports on the progress of the test. The supervisory competencies of the BoG will remain fully applicable throughout this period as well as during the whole lifecycle of the Regulatory Sandbox.

**Evaluation / Exit phase:** Upon exiting the sandbox, the participant may proceed to deploy the financial service on a broader scale or terminate the provision of its service.

#### ***5. Is there a specific rule governing the FinTech Regulatory Sandbox?***

The [Executive Committee Act 189/1/14.05.2021](#), hereinafter “the Act”, defines the terms and conditions for the establishment and operation of the Regulatory Sandbox.

#### ***6. What kind of support will be offered to participants through the Regulatory Sandbox?***

Customised guidance and active dialog will be offered to the Regulatory Sandbox participants. Customised guidance will be provided to facilitate the navigation of the applicable regulatory and supervisory requirements within the BoG’s remit related to the innovative financial proposition in question, including clarifications and customised information on compliance issues arising throughout all Regulatory Sandbox phases. Active dialog will be implemented through the appointment of a Single Point of Contact for each participant, in order to secure a direct line of communication and cooperation between the Regulatory Sandbox participants and the BoG.

#### ***7. Is the Sandbox only open to companies authorised in Greece? Will passporting and cross-border provision of services be possible within the Regulatory Sandbox Framework?***

At this stage, the Regulatory Sandbox will be only open to firms authorised by the BoG within the scope of the Act. Cross-border testing and passporting companies will not be permitted under the Regulatory Sandbox.

### **Application Phase**

#### ***8. Am I eligible to participate?***

The Regulatory Sandbox is open to applications from financial service providers authorised by the BoG that are looking to apply a technologically enabled innovative solution to provide financial services that fall under the BoG’s remit.

Non-authorised firms may either:

- Forge a partnership with an authorised institution and enter the Regulatory Sandbox together. This also applies to services/products within the sandbox scope that leverage solutions offered by technology companies in an innovative manner. The

application form should be completed and submitted by the authorised institution and the BoG will direct any supervisory matters to the authorised institution.

- Obtain first the appropriate authorisation, if they intend to carry out regulated activities themselves. In this case, the applicant concerned will need to submit an authorisation application to the competent BoG department in accordance with the standard authorisation procedures of the BoG in force.

It must also be clarified that authorised firms that wish to carry out an activity that does not fall under their existing authorisation, will need to first obtain the appropriate authorisation from the competent department of the BoG or pursue a variation and/or extension of the existing authorisation, if applicable.

### **9. *How can I obtain a license?***

The institutional framework for the authorisation of all types of institutions under BoG remit is available at the following links:

[Credit institutions](#)

[Private insurance](#)

[Financial institutions](#)

### **10. *What are the required eligibility criteria to participate in the Regulatory Sandbox?***

The eligibility criteria that applicants will need to meet are:

- **Proposed solution subject to financial regulation within BoG remit:** The proposed activity is covered by the applicant institution's authorisation, is in line with its statute and falls within the remit of the BoG.
- **Genuinely innovative service/product:** The proposed service or product is truly innovative or significantly different from those currently available within the Greek market.
- **Benefits to the users of financial services and the financial system:** The innovative proposition can offer identifiable benefits to the users of financial services and the financial system, either directly or indirectly.
- **Service/product is ready to be tested:** The service/product is at a sufficiently mature stage and is ready to be tested in a live environment.
- **Provider intends to serve domestic market:** The provider has the intention and ability to deploy the proposed financial service /product in the Greek market.

### **11. *Does the FinTech solution which I am interested to provide fall into any of the businesses regulated by BoG?***

You can visit BoG's [site](#) for a comprehensive list of supervised entities under BoG remit.

## 12. What does BoG consider as innovative?

Aspects of the proposed service to be tested in the Sandbox will need to leverage emerging or existing technology(-ies) in an innovative way to provide services or products or improve an existing financial activity within the Greek financial services market. It must be highlighted however, that innovation is not constrained to the technological elements of the proposition but also looks for organizational, business and/or social innovation (i.e. business efficiency, social convenience, green-eco-friendly etc.).

With respect to the technological aspect of an innovation, the following table provides an indicative and non-exhaustive list of technologies and solutions, which may be used by prospective Applicants within their propositions:

A/A	Technology
a	Application Programming Interfaces (APIs)
b	Artificial Intelligence (AI)
c	Machine Learning (ML)
d	Data Analytics / Big Data Analytics
e	Biometrics, Digital ID, Tokenisation
f	Cloud Computing
g	Blockchain and Distributed Ledger Technology (DLT)
h	Smart Contracts
i	Quantum Computing
j	Internet of Things (IoT)
k	Robotic Process Automation (RPA)
l	Natural Language Processing (NLP)
m	New Encryption Methodologies

## 13. Are there specific times to apply or a deadline for doing so?

The BoG Regulatory Sandbox shall be open to prospective applicants on an ongoing basis throughout the year. However, BoG may, at its discretion and after giving due notice to the public, open a *Thematic Cohort* to focus on specific solutions and challenges that are of interest to the Greek financial services market.

## 14. How can I apply to the Sandbox?

The BoG shall only consider submissions for participation made through the official Application Form, which is publicly available on the BoG website. For the Application Form to be considered complete, the applicant shall have to fill in all the sections on the form and submit it together with any supporting documents, as deemed appropriate.

It must be noted that for non-authorised firms that wish to forge a partnership with an authorised institution and enter the Sandbox together, potentially including technology firms, the application form shall need to be filled in and submitted by the authorised institution.

***15. What will BoG assess in my application?***

Each application form shall be reviewed against the Eligibility Criteria, which constitute the criteria against which the admission of the applicant to the Regulatory Sandbox will be determined.

***16. How long after I have submitted my application, will I know whether I have been accepted?***

If all conditions for the application are fully met pursuant to the Act, Applicants shall be notified by the BoG within one (1) month following the submission of fully completed application form.

***17. Will the information submitted to BoG be treated confidentially?***

Yes, all information submitted to the BoG for the purpose of the Regulatory Sandbox will be treated confidentially.

***18. Will there be any dedicated officer of the BoG to direct any queries throughout my participation in the Sandbox?***

A dedicated officer from the BoG will be assigned to each applicant, acting as the “Single point of contact” between the applicant and the BoG. The dedicated officer will also be tasked to oversee and coordinate the design and implementation of the testing phase and provide the participant with the necessary legal and regulatory guidance throughout the Regulatory Sandbox lifecycle.

## Preparation Phase

***19. What shall I expect during the Preparation Phase?***

During the Preparation phase, participants will initially submit the proposed Testing Plan and then work closely with the BoG to update and finalize within the Plan the testing parameters including: the boundaries and perimeter of the test, the Exit and Transition Plan, measures for the proper and transparent provision of information to users, the risk management framework and measures, risk monitoring and evaluation indicators (Key Risk Indicators - KRIs) as well as performance monitoring indicators (Key Performance Indicators – KPIs). In addition, participants will discuss with the BoG any potential terms, restrictions and conditions that must be met prior to testing. The outcome of this process will be the final Testing Plan to be applied in the test.

Finally, during this phase, the frequency and methods of communication between the participant and the Bank of Greece (e.g. meeting schedule, calls, etc.) to be followed during the Testing phase will be clarified, in line with the BoG's practices followed throughout regular supervision.

## Testing Phase

### **20. What is the maximum time allowed for testing in Regulatory Sandbox?**

The Regulatory Sandbox supports tests for up to six (6) months during which participants are expected to abide by the set of conditions (Testing Plan) agreed in the Preparation Phase.

In the event that participants wish to extend the testing period beyond the six (6) months, then they will need to submit their request in writing, at least one (1) month prior to the expiration of the testing period. In their request, participants shall clearly state the additional time required for testing and provide the BoG with adequate reasons to support their request. The BoG shall review these requests and decide on a *case-by-case* basis as to whether such an extension can be granted and under which conditions. In any event the extension cannot exceed six (6) months, and the total duration of the testing period cannot exceed twelve (12) months.

### **21. What will happen if the Testing Plan is not adhered to?**

In the event that the participant fails to adhere to the Testing Plan, they will be asked to take corrective action. The BoG will continuously monitor adherence to the Testing Plan and will evaluate the necessity for early test termination.

### **22. What happens in case of early termination of the testing stage?**

In the event that early termination of the testing stage is triggered, by either the participant or the BoG, the participant will immediately proceed to the Evaluation / Exit phase and the Exit and Transition Plan shall be put into action. If early termination is triggered by the participant, then such intention should be communicated to the BoG by not later than five (5) working days after the participant made the relevant decision.

## Evaluation and Exit Phase

### **23. What should the participant expect at the conclusion of the test?**

The BoG will evaluate the extent to which the pre-defined testing objectives have been fulfilled and will inform the participant on the successful or unsuccessful completion of the test.

### **24. Will the BoG be issuing a list of participants?**

Yes, the BoG will publish on its website a list of participants. In addition, the BoG will periodically produce and publish a Report with the anonymised results on the overall operation of the regulatory sandbox and the lessons learned.

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**25. Can participation in the Regulatory Sandbox be used for advertisement purposes?**

According to the Act, participants do not advertise their participation in the Regulatory Sandbox within the meaning of item (a) paragraph 1 article 9 of law 2251/1994, with the intention to promote a product/ service. This obligation lasts for as long as the service /product is being provided. Furthermore, participation in the Regulatory Sandbox does not constitute in any way endorsement or approval by the BoG of the service/product under test.