

Operating rules of the regulatory sandbox

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I. General provisions

1. This document lays down in accordance with legislation¹ the operating rules of the regulatory sandbox (hereinafter “rules”).
2. The purpose of the regulatory sandbox is to facilitate the implementation of financial innovations on the Slovak financial market and to help the National Bank of Slovakia (hereinafter “NBS”) better understand financial innovations.
3. For the purposes of these rules
 - a) the regulatory sandbox a platform that helps the participant via consultations with NBS to adjust financial innovation in compliance with the legislation within the competence of the NBS and that enables testing,
 - b) the applicant a natural or legal person who has submitted an application for the regulatory sandbox to the NBS (hereinafter “application”),
 - c) the participant a natural or legal person, who has been accepted to the regulatory sandbox by NBS,
 - d) consultation provision of a non-binding opinion by the NBS clarifying the application of legislation within the competence of the NBS, which is applicable to the participant and to its tested activities,
 - e) financial innovation, in particular, a financial product, service, or business model which, as a result of the application of technology in an innovative way may significantly affect the functioning of the financial market,
 - f) testing implementation of financial innovation on the Slovak financial market in accordance with the testing plan,
 - g) the supervised entity an entity supervised by NBS pursuant to legislation²,
 - h) the foreign supervised entity an entity supervised by a foreign financial market supervisory authority in another Member State of the European Union,
 - i) the entity interested in cross-border testing, the applicant or the participant who has stated in the application that it wants to submit or has already submitted an application for the regulatory sandbox in another State which is a party to the Agreement on the European Economic Area or in another State with which the NBS has concluded a cooperation agreement,
 - j) the applicant for authorisation a natural or legal person who has submitted an application for authorisation or for other permission to perform activities or for registration pursuant to legislation³, (hereinafter

¹ Section 1 para. 3. letter a) first and third point, section 1 para. 3 letter h), sections 35, 37 para. 1 letter g) and section 37 para. 3 letter. e) of Act No. 747/2004 Coll. on Supervision of the Financial Market and on amendments and supplements to certain laws, as amended.

² E. g. Act No. 747/2004 Coll, as amended.

³ E. g. Act No. 310/1992 Coll., Home Savings Act, as amended, Act No. 483/2001 Coll., on Banks and on amendments and supplements to certain laws, as amended, Act No. 566/2001 Coll., on Securities and Investment Services (The Securities Act) and on amendments and supplements to certain laws, as amended, Act No. 43/2004 Coll, on the Old-Age Pension Saving Scheme and on amendments and supplements

- “application for authorisation”) or is interested in making such a request during the preparatory phase of the regulatory sandbox,
- k) the authorisation an authorisation or other permission to perform activities or registration pursuant to legislation³ issued by the NBS,
 - l) the service provider a third party who, on the basis of an outsourcing agreement (hereinafter “outsourcing agreement”) concluded with the supervised entity, applies a procedure, provides a service, or performs an activity or part thereof for which the supervised entity is authorised according to legislation³,
 - m) the future supervised entity an entity performing activities that will be subject to legislation within the competence of the NBS, which was published in the Collection of Laws of the Slovak Republic (hereinafter “Collection of Laws”) or in the Official Journal of the European Union (hereinafter the “Official Journal”), but has not yet entered into force or is not yet applicable,
 - n) operation of the regulatory sandbox, the actions of NBS related to the assessment of the application, and to the participant's participation in the regulatory sandbox in accordance with these rules.

II. Circle of participants

- 4. A participant in the regulatory sandbox may be
 - a) the supervised entity,
 - b) the foreign supervised entity,
 - c) the applicant for authorisation,
 - d) the service provider,
 - e) the future supervised entity.

III. Conditions for participation in the regulatory sandbox

- 5. The NBS will allow the applicant to enter into the regulatory sandbox if
 - a) the applicant or the members of the applicant’s statutory body, in the case of a legal person, are of good repute,

to certain laws, as amended, Act No. 650/2004 Coll., on the Supplementary Pension Scheme and on amendments to certain laws, as amended, Act No. 747/2004 Coll., as amended.

- b) the subject of the consultation will be the application of legislation within the competence of the NBS,
 - c) the applicant meets criteria to enter into the regulatory sandbox set out in [point 9](#).
6. A person who has not been lawfully sentenced for a property-related criminal offense, an economic criminal offense, a criminal offense of corruption, a criminal offense committed in connection with that person's employment, profession, position or function, or an intentional criminal offense shall be considered to be a person of good repute. In the case of a criminal offense committed intentionally, a person shall not be considered as a person of good repute if that person's conviction for such a criminal offense or the conviction of members of its statutory body for such a criminal offense has been obliterated or perpetrator is deemed to have not committed any such offense.⁴ Good repute is demonstrated by a declaration on honour, which is part of the application.
7. The NBS will allow the applicant, which is the service provider, to enter into the regulatory sandbox if the applicant proves to NBS that it has concluded an outsourcing agreement with the supervised entity.
8. If the applicant meets the conditions for participation, but several participants are already participating in the regulatory sandbox, the NBS may postpone the entry of the applicant into the regulatory sandbox until a later date, depending on the capacity of the NBS.

IV. Criteria to enter into the regulatory sandbox

9. The criteria to enter into the regulatory sandbox are
- a) the applicant's readiness to participate in the regulatory sandbox and readiness of financial innovation for testing - the applicant demonstrates the ability to meet requirements stemming from the legislation and technical readiness for testing. The applicant further demonstrates the readiness of adequate safety measures, a plan for premature termination of participation in the regulatory sandbox, identifies risks and adjustment of measures to mitigate them,
 - b) the existence of the need for testing - the applicant demonstrates that participation in the regulatory sandbox will contribute to the successful implementation of financial innovation on the Slovak financial market,
 - c) innovativeness - the applicant demonstrates that financial innovation is new or little applied on the Slovak financial market,

⁴ Act No. 300/2005 Coll. - Criminal Code, as amended and Act No. 91/2016 Coll. Act. on Criminal Liability of Legal Entities and on amendments and supplements to certain laws, as amended.

- d) positive impacts on clients in the Slovak financial market and the absence of significant negative impacts on financial stability in the Slovak Republic.
10. The NBS assesses the fulfillment of these criteria according to the Methodology for the assessment of the criteria to enter into the regulatory sandbox, which is [Annex 2](#) of these rules.

V. The application for the regulatory sandbox

11. The applicant shall deliver the application to the NBS in paper or electronic form to the address specified on the NBS website. The applicant shall attach to the application other documents resulting from [Annex 1](#).
12. The NBS will confirm the delivery of the application to the applicant and will assess its formal and content requirements. The NBS may call on the applicant to eliminate shortcomings or supplement the application within a reasonable time. If the applicant does not eliminate the shortcomings or does not complete the application within the specified time limit, the NBS will notify the applicant that it will not accept him into the regulatory sandbox and the applicant will be entitled to submit another application no earlier than 6 months from the date of delivery of such notification.
13. If it is clear from the received application that the applicant cannot enter into the regulatory sandbox due to the fact that it does not belong to the circle of participants according to these rules, the NBS will notify the applicant in writing that it will not be allowed to enter into the regulatory sandbox.
14. The NBS will convene an information meeting with the applicant in order to obtain more detailed information regarding
- a) the applicant,
 - b) the financial innovation, which is the subject of the application,
 - c) facts influencing the assessment of the fulfillment of the conditions for participation in the regulatory sandbox,
 - d) the subject matter and timetable of the consultation in the preparatory phase; and
 - e) scheduled testing.
15. The NBS will notify the applicant within two months from the date of delivery of the complete application whether it will allow him to enter into the regulatory sandbox; the time limit does not apply to the entity interested in cross-border testing.

16. If the NBS notifies the applicant that it does not allow him to enter into the regulatory sandbox, the applicant may submit another application no earlier than 6 months from the date of delivery of this notification.

VI. Preparatory phase

17. The aim of the preparatory phase is
 - a) to enable the participant to have consultations with the NBS, which should help the participant to adjust financial innovation in compliance with the legislation within the competence of the NBS and
 - b) to determine the course of the testing phase in the form of a testing plan.
18. The consultation shall take place in writing, by telephone, or in person.
19. Consultation
 - a) does not replace the binding interpretation of legislation, which is entrusted to the courts and the Court of Justice of the EU,
 - b) does not replace the activities of business advisers, organizational advisers, and economic advisers, nor the activities of attorneys and other natural persons and legal persons that provide legal services in the territory of the Slovak Republic.
20. The opinion of the NBS provided in the consultation may be affected by a subsequent guideline, recommendation, opinion, or answer of the European Banking Authority (hereinafter "EBA"), the European Insurance and Occupational Pensions Authority (hereinafter "EIOPA") or the European Securities and Markets Authority (ESMA).⁵
21. Following the consultations in the preparatory phase, the NBS will ask the participant to submit a draft testing plan within the specified time limit. The draft testing plan shall include in particular
 - a) a description of the financial innovation, the planned course of testing, and the expected results of testing,
 - b) the testing schedule, including partial targets for evaluating the fulfillment of the sub-testing targets,
 - c) information on possible testing limitations - for example, on the maximum number of clients, type of clients (e.g. exclusion of retail clients), or financial

⁵ Article 16, article 16b and article 29 of Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC (OJ L 331, 15.12.2010), as amended, article 16, article 16b and article 29 of Regulation (EU) No 1094/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Insurance and Occupational Pensions Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/79/EC, (OJ L 331, 15.12.2010), as amended, article 16, article 16b and article 29 of Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC (OJ L 331, 15.12.2010), as amended.

- limits for one client, or for all clients who will use the tested financial innovation,
- d) identification of the main risks that may arise in the testing of financial innovation and proposed ways to minimize them,
 - e) identification of the tasks of the participant in the testing phase and, in the case of the service provider, also a description of the tasks of the cooperating supervised entity,
 - f) a list of contact persons of the participant and, in the case of a cooperating supervised entity, also a list of contact persons of this entity,
 - g) the proposed method of communication with the NBS on the course of testing, for example by sending regular reports on the course of testing or by phone communication or during regular meetings at which the participant presents the course of testing, evaluation of partial targets, and informs the NBS about problems, that arose during testing,
 - h) the proposed method of communication with the clients concerned and the public in relation to testing,
 - i) information on potential suspensions and terminations of testing,
 - j) the start date of the testing phase.
22. After submitting the draft testing plan, the NBS will discuss the proposal with the participant and may ask him to change it within the specified time limit. If the participant does not deliver the draft testing plan to the NBS within the specified time limit or does not change such a draft testing plan at the request of the NBS, the NBS will prematurely terminate the participant's participation in the regulatory sandbox.
23. If the NBS has no comments on the draft testing plan, it shall notify the participant that the testing plan has been approved. On the day of delivery of the notification of approval of the testing plan, this plan becomes binding for the participant. If the participant does not comply with the approved testing plan, the NBS will prematurely terminate the participant's participation in the regulatory sandbox.
24. If the participant is the applicant for authorisation, that participant must obtain the relevant authorisation during the preparatory phase. The participant may test financial innovation in the regulatory sandbox only after obtaining the relevant authorisation.
25. If the participant is the applicant for authorisation, the licensing procedure takes place independently of the preparatory phase of the regulatory sandbox. If the participant does not obtain the relevant authorisation by the time of submission of the draft testing plan, the testing plan must stipulate that testing can only start after the authorisation has been granted.
26. The preparatory phase runs from the date of receipt of the notification of access to the regulatory sandbox to the working day immediately preceding the day of the start of testing. The preparatory phase lasts a maximum of 6 months. At the request of the participant, the NBS may extend it accordingly.

27. If the participant is the applicant for authorization, who does not obtain authorisation within the time limit set for the preparatory phase in [point 26](#), the NBS will prematurely terminate the participant's participation in the regulatory sandbox.

VII. Testing phase

28. The aim of the testing phase is the implementation of the tested financial innovation on the Slovak financial market in accordance with the testing plan.
29. Within three working days after the start of the testing phase, as defined in the testing plan, the NBS will publish, with the consent of the participant, on its website
- the business name of the participant and, if the participant is a service provider, also the business name of the supervised entity with its consent,
 - the date of entry of the participant into the regulatory sandbox,
 - a brief description of the tested financial innovation.
30. The participant shall continuously inform the NBS about the course of testing in accordance with the testing plan. Regardless of the testing plan, the participant immediately informs the NBS about serious problems, unexpected situations, or other facts that could have a significant impact on the testing process. The NBS may call on the participant to remedy the problem within the specified time limit. If the participant does not remedy the problem within the specified time limit, the NBS will prematurely terminate the participant's participation in the regulatory sandbox.
31. The NBS may request additional information from the participant on the course of testing at any time. At the participant's request, the NBS may provide consultations to the participant during the testing phase.
32. If the participant does not comply with the testing plan, the NBS will ask him for an explanation within the specified time limit and at the same time inform him that the NBS may prematurely terminate the participant's participation in the regulatory sandbox. If the participant does not provide an explanation and does not remedy the problem within the specified time limit, the NBS will prematurely terminate the participant's participation in the regulatory sandbox.
33. The participant may request the NBS to change the testing plan. Until the NBS approves the change in the testing plan, the participant proceeds according to the originally approved testing plan. The NBS may send comments to the participant on the request to change the testing plan and set a time limit for the comments to be incorporated. If the participant does not incorporate NBS' comments within the specified time limit or the NBS does not agree with the change of the testing plan, the NBS notifies the participant that its request has not been approved and that if

it is still interested in continuing testing, it is obliged to comply with the approved testing plan. If the NBS approves the change, it will immediately notify the participant.

34. Testing of financial innovation does not affect the obligations imposed on the participant by legislation.⁶
35. The participant informs the NBS in advance of the intention to suspend or prematurely terminate the testing on its own initiative. The NBS will publish this information on its website.
36. The testing phase runs from the date of commencement of this phase, as defined in the testing plan, to the ordinary or premature termination of testing. The testing plan shall set a period for testing, which shall not exceed 6 months. The participant will complete the testing within this period.
37. In justified cases, the participant may request the NBS to extend the testing period by a maximum of 6 months. The NBS shall immediately notify the participant of the approval or disapproval of the extension of the testing period.

VIII. Termination of participation in the regulatory sandbox

38. Within one month after the end of the testing, the participant shall deliver to the NBS the final report stating in particular
 - a) a summary of the testing,
 - b) an evaluation of whether the expected test results have been achieved,
 - c) problems and unexpected situations that occurred during testing,
 - d) whether the participant intends to continue offering financial innovation to clients upon the termination of its participation in the regulatory sandbox.

⁶ E. g. Act No 202/1995 Coll., The Foreign Exchange Act and amendment to Act No 372/1990 Coll. on non-indictable offences, as amended, as amended, Act No. 483/2001 Coll., on Banks and on amendments and supplements to certain laws, as amended, Act No. 566/2001 Coll., on Securities and Investment Services (The Securities Act) and on amendments and supplements to certain laws, as amended, Act No. 43/2004 Coll., on the Old-Age Pension Saving Scheme and on amendments and supplements to certain laws, as amended, Act No. 650/2004 Coll., on the Supplementary Pension Scheme and on amendments to certain laws, as amended, Act No. 266/2005 Coll., on consumer protection in financial services at a distance and amending certain laws, as amended, Act No 250/2007 Coll., Consumer Protection Act and amendment to Act No 372/1990 Coll. on non-indictable offences, as amended, as amended, Act No. 297/2008 Coll., on the Prevention of the Legalization of Proceeds of Criminal Activity and Terrorist Financing and on Amendments and Supplements to Certain Acts, as amended, Act No 186/2009 Coll. on Financial Intermediation and Financial Advisory Services and on amendments and supplements to certain laws, amended, Act No 492/2009 Coll. on payment services and on amendments and supplements to certain laws, as amended, Act No. 39/2015 Coll. on insurance and amending certain laws, as amended

39. Within one month from the delivery of the final report, the NBS will organize a final meeting with the participant in order to discuss the final report and the course of the participant's participation in the regulatory sandbox. The NBS may replace the final meeting with a written statement on the final report.
40. Participation in the regulatory sandbox is terminated on the day of the final meeting or on the day of delivery of the NBS' written statement on the final report.
41. If a participant does not follow the instructions of the NBS and does not remedy identified shortcomings even after a request from the NBS, the NBS may prematurely terminate the participant's participation in the regulatory sandbox. NBS shall immediately notify the participant of this fact.
42. Premature termination of participation takes effect on the date of delivery of the notice on termination of participation to the participant or on the date specified in this notice. Premature termination of participation also occurs on the day of delivery of the participant's notification of premature termination to the NBS or on the day specified in such notification pursuant to [point 35](#).
43. The NBS will publish on its website the date of termination of the participant's participation in the regulatory sandbox.

IX. Cross-border testing

44. The entity interested in cross-border testing shall state in the application in which regulatory sandboxes in other States which are parties to the Agreement on the European Economic Area or in another States with which the NBS has concluded a cooperation agreement, it is interested in testing. The application is not an application to other regulatory sandboxes. The entity interested in cross-border testing must meet the entry criteria of other regulatory sandboxes according to the relevant rules of a particular regulatory sandbox.
45. The assessment of such an application, as well as the participation of the entity interested in cross-border testing in a regulatory sandbox, is generally governed by these rules, but may differ in specific aspects with regard to the NBS' cooperation with foreign financial market supervisors.

X. Common and final provisions

46. In the operation of the regulatory sandbox NBS maintains confidentiality.⁷ In connection with the operation of the regulatory sandbox, the NBS reserves the right to exchange information provided by applicants and participants with foreign financial market supervisors as well as with European Supervisory Authorities (EBA, ESMA, EIOPA) and the European Central Bank (ECB).
47. In addition to the information specified in points 29, 35, and 43 of these rules, the NBS may, with the consent of the participant, also publish on its website more detailed information on participant's participation in the regulatory sandbox. If the participant is the service provider, the consent of the supervised entity is also required for the publication of more detailed information on participation in the regulatory sandbox.
48. Time limits under these rules do not include the day on which the event determining the beginning of the period occurred. Periods determined by months shall end on the day which, by its designation, coincides with the day on which the event determining the beginning of the period occurred, and if there is no such day in the month, the period shall end on the last day of that month. If the end of the period falls on a Saturday, Sunday, or public holiday, the last day of the period is the next following working day. The testing period also runs during the suspension of testing.

⁷ Section 41 of Act No 566/1992 of the National Council of the Slovak Republic on National Bank of Slovakia, as amended.

The application for the regulatory sandbox

| I. Information about the applicant | |
|--|-------------------------------|
| 1. Basic information | |
| Business name / Name and Surname | |
| Business Identification Number | |
| Registered seat / Address | |
| Website | |
| 2. Contact person | |
| Name and Surname | |
| Position | |
| Email | |
| Phone | |
| 3. Members of the statutory body of the applicant (if the applicant is a legal person) | |
| Name and Surname | Position and responsibilities |
| | |
| | |
| | |
| 4. Classification of the applicant within the circle of participants. Please select category of applicant. (point 4 of the Operating rules of the regulatory sandbox). | |
| | |
| II. Information about financial innovation | |
| 5. Please, provide more details about financial innovation. | |
| | |
| 6. What legislation within the competence of the NBS do you want to consult? | |
| | |
| 7. What risks have you identified in relation to financial innovation and what measures will you take to minimise them? | |
| | |
| 8. Detailed description of compliance with the criteria to enter into the regulatory sandbox. | |
| The applicant's readiness to participate in the regulatory sandbox and readiness of financial innovation for testing | |
| | |
| The existence of the need for testing | |
| | |

| |
|---|
| Innovativeness |
| |
| Positive impacts on clients in the Slovak financial market and the absence of significant negative impacts on financial stability in the Slovak Republic |
| |
| III. Preparatory phase and testing |
| <p>9. Brief description of the tested financial innovation, which you propose to publish on the NBS' website in the case of participation in the regulatory sandbox (the NBS is not bound by the proposal).</p> |
| |
| <p>10. Subject and proposed schedule of consultation meetings in the preparatory phase.</p> |
| |
| <p>11. Should testing in the regulatory sandbox be carried out in cooperation with the supervised entity? (If yes, please provide more details and attach an outsourcing agreement to this application in accordance with point 7 of the Operating rules of the regulatory sandbox)</p> |
| |
| <p>12. Will you apply for the issuance of authorisation to perform activities in the preparatory phase, or have you already submitted such an application to the NBS?</p> |
| |
| <p>13. Are you interested in cross-border testing? If so, please provide more information on cross-border testing.</p> |
| |
| <p>14. Please provide your idea of the testing you want to perform in the NBS' regulatory sandbox.</p> |
| |
| <p>15. Do you have measurable parameters to evaluate the success/failure of testing? What are your success criteria?</p> |
| |
| <p>16. Please indicate your intended procedure, plan, and stages of testing. What time frame do you think will be needed?</p> |
| |

17. What specifically do you expect from the NBS during your participation in the regulatory sandbox?

18. Do you anticipate that testing will involve clients? If so, please provide more details on the types of clients involved in testing.

19. What is your communication strategy for testing in the regulatory sandbox?

20. Please, define how you plan to address the risks of unsuccessful testing. Describe a plan for possible premature termination of testing in the regulatory sandbox.

21. What are your plans after successfully completing testing in the regulatory sandbox?

22. If you were not selected for participation in the NBS regulatory sandbox, what alternatives would you consider?

23. Is there anything you would like to add or emphasize? If you deem it necessary, you can also attach additional documents

IV. Declaration of honour

DECLARATION

I, the undersigned, certify that I am not a person who has been lawfully sentenced for a property-related criminal offense, an economic criminal offense, a criminal offense of corruption, a criminal offense committed in connection with my employment, profession, position or function, or an intentional criminal offense and in the case of a criminal offense committed intentionally, my conviction for such a criminal offense has not been obliterated or I am not deemed to have not committed any such offense.

| Name and Surname / Business name | Signature |
|----------------------------------|-----------|
| | |
| | |
| | |
| | |

Place..... and date.....

(The Declaration on honour shall be signed by the applicant – a natural person. If the applicant is a legal person, then the Declaration on honour shall be signed on behalf of the legal person by its statutory body and, in its own name, separately by each member of the statutory body.)

V. Consent to the processing of personal data

DECLARATION

I hereby give my consent to the NBS to process my personal data, including sensitive personal data, in accordance with the conditions published on the NBS website.

| Name and Surname | Signature |
|------------------|-----------|
| | |
| | |
| | |

Place..... and date.....

(The consent to the processing of personal data shall be signed by each natural person whose personal data are listed in the application)

VI. Familiarisation with the Operating rules of the regulatory sandbox applicable from 1 January 2022

DECLARATION

I, the undersigned, certify that I am familiar with the Operating rules of the regulatory sandbox applicable from 1 January 2022 (hereinafter "rules") and I will abide by these rules.

| Name and Surname / Business name | Signature |
|----------------------------------|-----------|
| | |
| | |
| | |
| | |

Place..... and date.....

(The declaration shall be signed by the applicant – a natural person. If the applicant is a legal person, then the declaration shall be signed on behalf of the legal person by its statutory body.)

Methodology for the assessment of the criteria to enter into the regulatory sandbox

| | Key questions | Positive indicators | Negative indicators |
|---|---|---|--|
| The applicant's readiness to participate in the regulatory sandbox and readiness of financial innovation for testing | Is the applicant in all respects ready for testing in the regulatory? | | |
| | Is the applicant ready to meet all requirements stemming from the legislation? | The applicant has analysed the legal aspects of the implementation of financial innovation and is able to meet the requirements of relevant legislation. | The applicant does not have a legal analysis regarding the implementation of financial innovation and therefore cannot guarantee that it is able to meet the requirements of the relevant legislation. |
| | Is the applicant ready to handle testing from a technical perspective? | Financial innovation is technically ready for implementation on the Slovak financial market. | The applicant is still working on the technical aspects of financial innovation and therefore is not able to implement financial innovation on the Slovak financial market in a short amount of time. |
| | Is the applicant ready to deal with the risks that may arise during the testing of financial innovation? | The applicant has already analysed the risks associated with the implementation of financial innovation and prepared measures to mitigate them. | The applicant has not analysed the risks that may arise in the implementation of financial innovation. |
| | Is the applicant for authorisation ready for the licensing procedure? | The applicant for authorisation is sufficiently prepared for the licensing procedure. | The applicant for a authorisation is not ready for the licensing procedure and will need a longer time before it is able to submit the relevant application for an authorisation. |
| | Does the applicant have a clear idea of what it expects from its participation in the regulatory sandbox? | The applicant has a clear idea regarding issues it would like to consult with the NBS, the practical implementation of financial innovation, and the course of testing. | The applicant has only a general idea regarding its participation in the regulatory sandbox and expects the NBS to provide comprehensive advice on which issues to focus on and how to practically implement financial innovation and test it within the regulatory sandbox. |
| | Does the applicant have sufficient resources for testing within the regulatory sandbox? | The applicant has sufficient financial and human resources, that enables him to successfully test financial innovation within the regulatory sandbox. | The applicant does not have sufficient financial and human resources, and therefore it is not clear whether it will be able to successfully test in the regulatory sandbox. |

Methodology for the assessment of the criteria to enter into the regulatory sandbox

| | Key questions | Positive indicators | Negative indicators |
|---|---|---|--|
| The existence of the need for testing | Is participation in the regulatory sandbox necessary for the implementation of financial innovation on the Slovak financial market? | | |
| | Does financial innovation raise questions about the correct application of relevant legislation within the competence of the NBS? | Uncertainties regarding the application of regulation prevent the applicant from successfully implementing financial innovation without participating in the regulatory sandbox. | The application of regulation is clear and does not raise questions. |
| | Does the applicant need to test financial innovation within the regulatory sandbox? | The applicant needs to test financial innovation before fully implementing it on the Slovak financial market. | The basic clarification of the applicable regulation (e.g., through an innovation hub) is sufficient for the applicant and it does not need to subsequently test the financial innovation. |
| Innovativeness | Is it financial innovation? | | |
| | Is the financial product, service, business model, or solution different from the offer of other financial market participants in the Slovak Republic, or does it improve existing financial products, services, business models, or solutions? | There are no comparable financial innovations on the financial market in the Slovak Republic or there are just a few of them. | A financial product, service, business model or solution is well established on the Slovak financial market. |
| The financial innovation, which the applicant wants to test, brings a new approach based on technologies, which changes the current way of providing financial services in the Slovak Republic. | | The financial product, service, business model, or solution does not contain an element of financial innovation. | |
| Positive impacts on clients in the Slovak financial market and the absence of significant negative impacts on financial stability in the Slovak Republic | Does financial innovation have positive effects for clients? | | |
| | Does financial innovation have identifiable direct or indirect positive impacts on clients on the Slovak financial market? | Financial innovation will have direct positive impacts on clients in the Slovak financial market - e.g., through lower prices, easier access, or by expanding the offer of financial products and services. | Financial innovation does not have any identifiable positive direct or indirect impacts on clients. |
| Financial innovation will have indirect positive impacts on clients - e.g., RegTech solutions that increase efficiency and reduce back-office costs. | | Financial innovation can place clients in jeopardy. Financial innovation can have significant negative impacts on financial stability in the Slovak Republic. | |