

22 October 2025

██████████  
By email: ██████████

**Official Information Act 1982 Request (OIA) – Inquiry into the early-stage documentation about the sandbox between December 2024 and April 2025**

I refer to your OIA request received through ██████████ on 24 September, in which you requested for all of the early-stage documentation about the sandbox between December 2024 and April 2025, namely:

1. Internal scoping and design documents about the pilot;
2. Assessment documents and criteria used to assess firms;
3. Process documentation; and
4. Notes and assessments of firms, including the FMA’s assessment of firms prior to granting or refusing admission to the sandbox.

**Information requested**

We have considered your request pursuant to the OIA and based on the review of the records and information we have available in our system.

Please note that some parts of the information requested have been withheld pursuant to the following grounds under the OIA:

- **Section 9(2)(a):** Personal information within the documents may be appropriate to withhold to protect the privacy of individuals for example submitter’s staff name and personal contact details.
- **Section 9(2)(ba)(i):** Often it is appropriate to withhold correspondence with, or material provided by, regulated entities in relation to regulatory matters where it has been obtained from them on a confidential basis and release may prejudice the future supply of information from those entities, or other entities we regulate. In some parts of the information the submitters asked the FMA to withhold the information. It is important to the FMA’s regulatory effectiveness, and so in the public interest, that the FMA continue to be able to engage frankly with market participants and the public on policy consultations.
- **Section 9(2)(b)(ii):** Some information may be appropriate to withhold to avoid unreasonable prejudice to the commercial position of the person who supplied or who is the subject of the information.

**Internal scoping and design documents about the pilot**

Please find attached a slide deck which provides an overview of the regulatory sandbox pilot, as **Appendix 1**. This was presented to external parties in August 2025 and outlines the objectives of the sandbox pilot,

key design elements, eligibility criteria and timeline associated with the project.

### **Assessment documents and criteria used to assess firms**

As outlined within Appendix 1, the FMA conducted a two-phase assessment of sandbox candidates prior to their admission into the Regulatory sandbox pilot.

Please find attached the assessment template for phase one of the assessment, as **Appendix 2**. This template sets out the information that firms were asked to provide the FMA to apply for eligibility to enter the sandbox pilot, as well as the FMA's internal assessment matrix and checklist for applicants ahead of phase two.

We have attached the phase two internal assessment interview template, as **Appendix 3**. This outlines the nature of information collected from applicants around their capability and experience, the risk benefits for consumers provided by their proposed product, expected pathway to market and barriers associated with the product, how the sandbox pilot can support this pathway, and the entity's financial resources to cover operational time in the sandbox.

We have also attached internal guidance around the interview process for panellists conducting the phase two interviews, as **Appendix 4**.

### **Process documentation**

We have attached the cover paper provided to the FMA's Fintech Sandbox Governance Committee in April 2025, as **Appendix 5**. This cover paper outlines the process of approval of entities after the phase two interview stage, providing context on the three phases of a firm's admission to the sandbox. This includes the mapping of the firm's sandbox journey, working with the firm and implementing appropriate tools, and ongoing supervision of the firm's testing of their product within the sandbox.

We have also attached a board paper that was presented on 18 February 2025, as **Appendix 6**. This paper outlines the assessment process and governance of the sandbox, as well as the proposed pathway forward for the pilot program.

### **Notes or assessments of firms, including the FMA's assessment of firms prior to enabling or refusing access to the sandbox**

Due to the reasons provided above, we have elected not to disclose any identifying information of the sandbox participants. However, we have decided to disclose summaries of the FMA's assessment of a firm that was admitted. We consider this will assist in meeting your interest (and more generally the public interest) by providing an understanding of the nature of the matters concerning the

To illustrate the FMA's assessment of a firm's entry to the sandbox, we have provided a summary below of the FMA's assessment factors of three of the six firms that were admitted, and the three firms that did not proceed to the sandbox pilot.

### **Assessment of firms that are in the sandbox**

1. **Candidate 1:** The applicant demonstrated a strong understanding of their offering and proposed business model, supported by legal work undertaken with external counsel. The use of tokenisation as part of the proposed product was novel in the New Zealand context and had not yet been successfully implemented locally, despite its popularity overseas. At the time, the FMA was considering three similar proposals which indicated a growing interest in this area. The FMA was well positioned to add value by supporting the applicant's goal of beta testing the product in a controlled environment.
2. **Candidate 2:** The FMA assessed a tokenisation proposal led by a team with established governance and relevant experience. While the product met sandbox criteria, certain investor risks would require mitigation through effective disclosure. The regulatory approach is likely to be complex and contingent on decisions by other agencies. Given the novelty of the policy issues, there is merit in exploring the proposal within the sandbox.
3. **Candidate 3:** The FMA's assessment considered the applicant's experience in the relevant sector, the strength and innovation of their proposals, and their operational readiness to execute within a short timeframe. The applicant demonstrated realistic expectations of the sandbox pilot and had access to legal support and advice. The proposal strongly aligned with the sandbox entry criteria and presented a novel policy issue with merit for exploration. While the regulatory solution may be complex, the applicant was assessed as requiring minimal guidance and support from the FMA.
4. **Candidate 4:** The FMA's assessment considered the applicant's innovative approach to enabling broader participation in capital markets, particularly for small businesses. The applicant demonstrated a strong working knowledge of the complexities involved and clearly articulated a regulatory barrier along with a defined solution. The proposal was deemed suitable for support within the sandbox framework to facilitate a proof-of-concept. The regulatory solution is not expected to be complex. While the applicant has legal support, some guidance from the FMA may be required.
5. **Candidate 5:** The FMA's assessment considered the applicant's sector experience, understanding of their target customer base, and the presence of legal support. No concerns were identified regarding the applicant's engagement with the FMA under the Sandbox framework. The proposed product is expected to have a relatively short time to market due to limited technical build requirements. The product shares characteristics with a previously reviewed offering, allowing the FMA to draw on existing analysis to inform its assessment.
6. **Candidate 6:** The FMA assessed a tokenisation proposal where the entity possessed relevant experience and legal support. The concept introduces new elements to investing which could potentially appeal to their customer base. The sandbox was identified as a useful pathway to explore market entry.

#### **Assessment of firms that did not proceed to the sandbox**

1. **Candidate 1:** The proposal was in its early stages, with uncertainty around the development timeline for both front and back-end applications and user experience. The applicant lacked

financial resources to support operations and bond purchases. While they had made progress in articulating their business model, a more structured market assessment would likely have reassured potential investors. Although they noted the cost of registration and their intent to demonstrate a proof-of-concept, further legal guidance was likely needed to clarify the specific regulatory barriers requiring support. Panellists considered that continued engagement with the FMA was more appropriate at this stage than entry into the sandbox.

2. **Candidate 2:** The proposal was at a conceptual stage and the applicant had limited financial services experience. The applicant had conducted useful preliminary work exploring various models and their legal and regulatory implications, in collaboration with external legal advisors. Some capital had already been raised, but operating funds remained limited and dependent on further investment. Panellists noted that additional business development would be needed before seed funding could be secured. The proposal also involved reliance on a third-party platform to manage funds and investor interactions, which introduced further complexity in relation to the proposed exclusion from licensing requirements.
3. **Candidate 3:** The proposal involved a technological solution that appeared well-advanced, focusing on digitisation and tokenisation of an asset. However, the applicant did not present a clear regulatory issue or specific solution to test in the sandbox. The interview covered a broad range of topics, including digitisation of the current ownership model, tokenisation under financial markets law, and an overseas-based platform offering similar services. The business plan was still in draft form, suggesting that further development was needed before regulatory engagement could be meaningfully progressed.

Please also find attached the FMA's Terms of Engagement with firms regarding the use of the sandbox pilot, as **Appendix 7**.

## Conclusion

If you have any questions, please contact me at [jasveet.sandhu@fma.govt.nz](mailto:jasveet.sandhu@fma.govt.nz).

We also note that you have the right to complain to the Ombudsman regarding our assessment of your OIA request, in accordance with section 28 of the Official Information Act. Information about how to make a complaint is available at [www.ombudsman.parliament.nz](http://www.ombudsman.parliament.nz) or phone 0800 802 602.

Yours sincerely,



Jasveet Sandhu

**Senior Legal Counsel, Internal Governance**

AUGUST 2025

# FMA FinTech Regulatory Sandbox Pilot



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# Agenda 27<sup>th</sup> August session

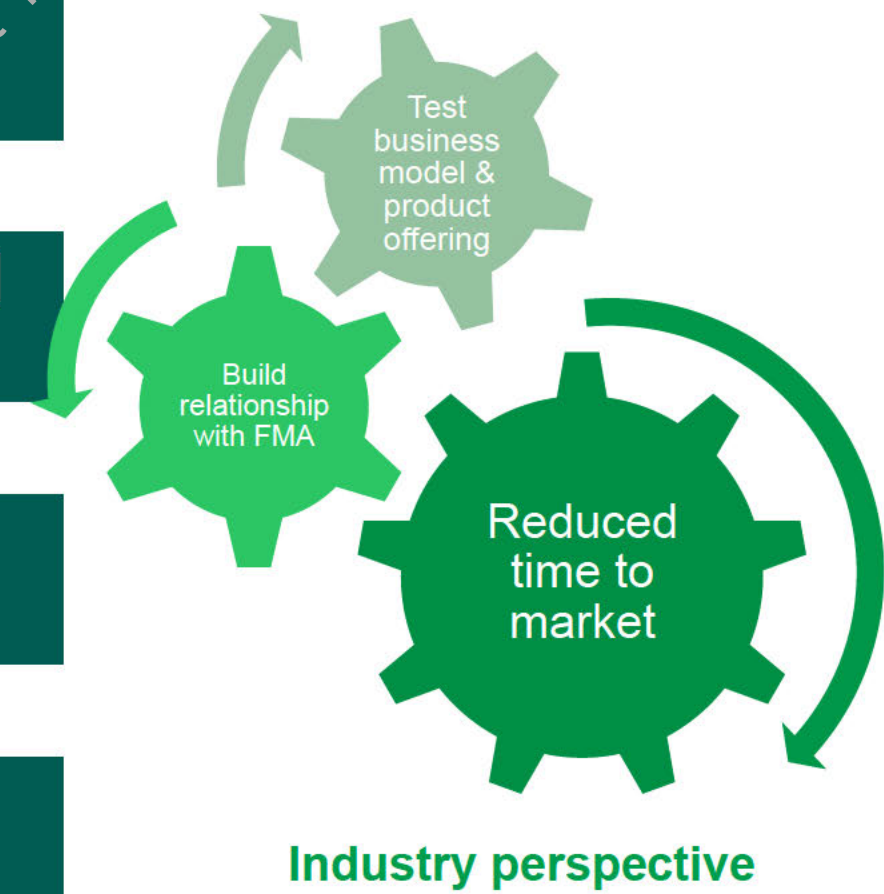
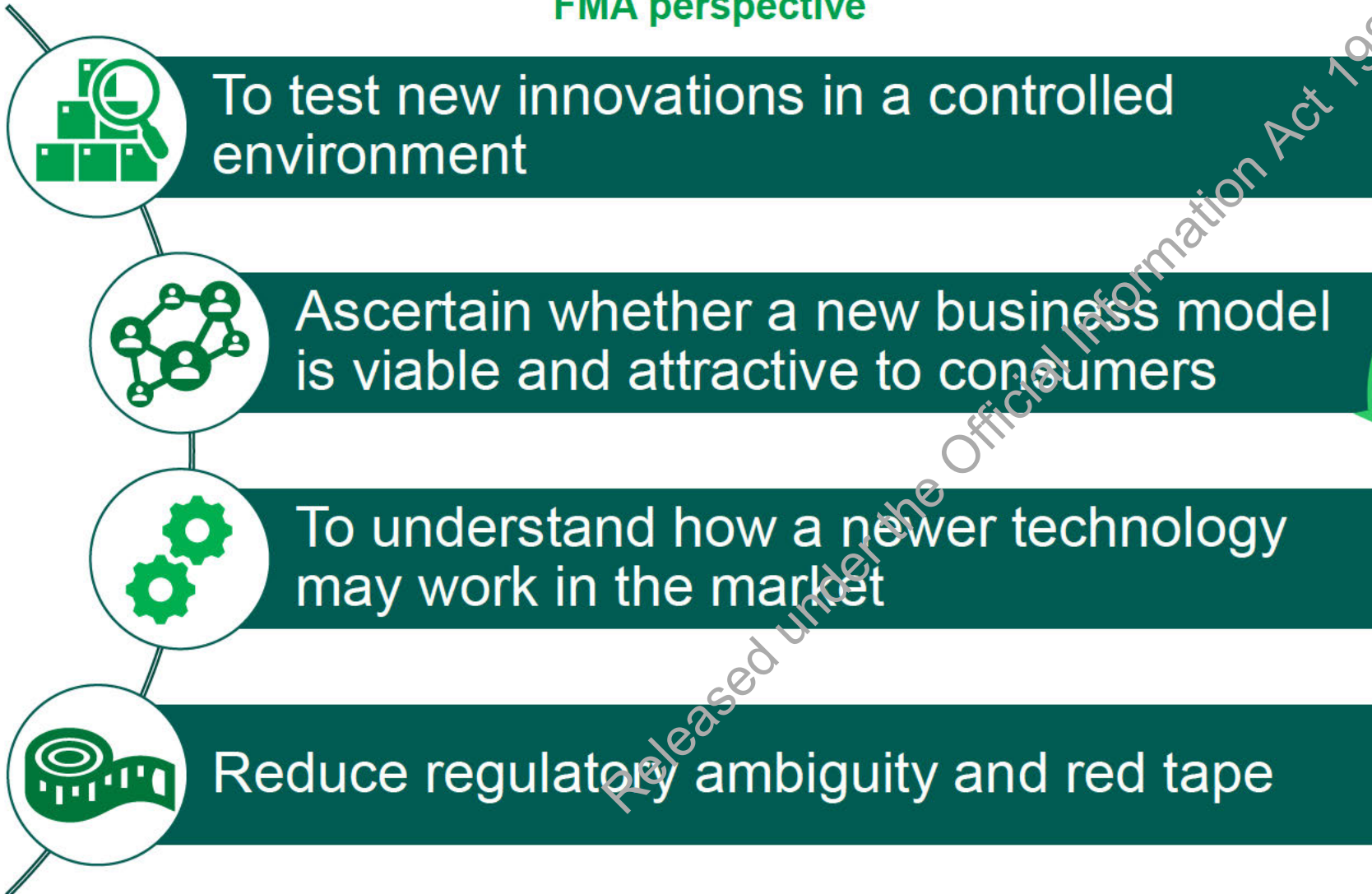
## Key Items for discussion/information

- Objectives of the Sandbox Pilot
- Key design elements to consider
- Sandbox Pilot Teams
- Sandbox Pilot Phases
- Eligibility Criteria
- Timeline
- Benefits and Challenges

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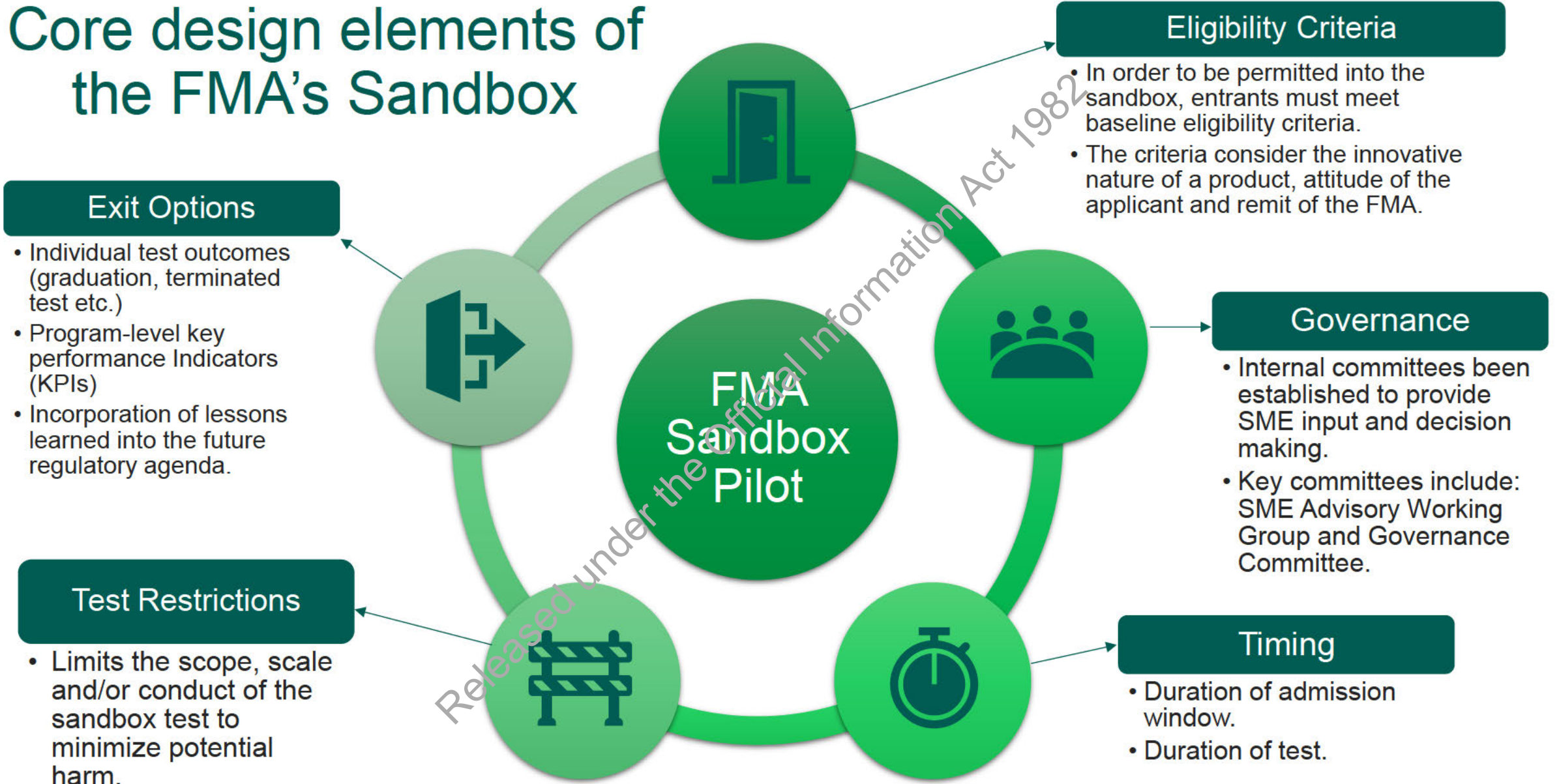
# Objectives of the sandbox

## FMA perspective



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# Core design elements of the FMA's Sandbox



# How did we triage applicants?

## Eligibility criteria

The Sandbox Pilot was open to the following entities:

- Unlicensed firms and firms holding existing licenses wanting to test new products that are not licensed.
- Firms offering products and service to Retail customers
- Firms offering products and service to Wholesale customers
- International firms bringing products and services to New Zealand.

### Eligibility Criteria

- Does this entity provide a product or service that fits within the scope of financial markets legislation?
- Does the entity offer an innovative product or service that either a) is unique in the market and/or b) solves an existing problem in New Zealand's Financial Services industry?
- Does the product or service demonstrate a tangible benefit for consumers?
- What level of relevant regulatory burden, barriers, or uncertainty have been identified?
- Has the applicant submitted enough information for the FMA to make an informed decision to progress this application to the next phase of the program?



Who can enter  
the sandbox?

# Sandbox Pilot Teams



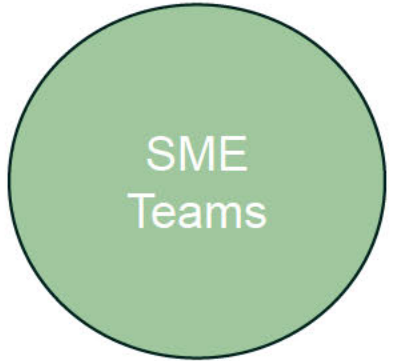
- Relationship lead with firms and FMA.
- Responsible for coordinating engagements with firms and SMEs.
- Responsible for designing and implementing the Sandbox.
- Ongoing support for firms.



- Responsible for reviewing and co-designing elements of the framework.
- Made up of teams from Licensing, Regulatory Policy, Legal, Comms, Frontline teams.
- Ongoing forum for communicating updates.

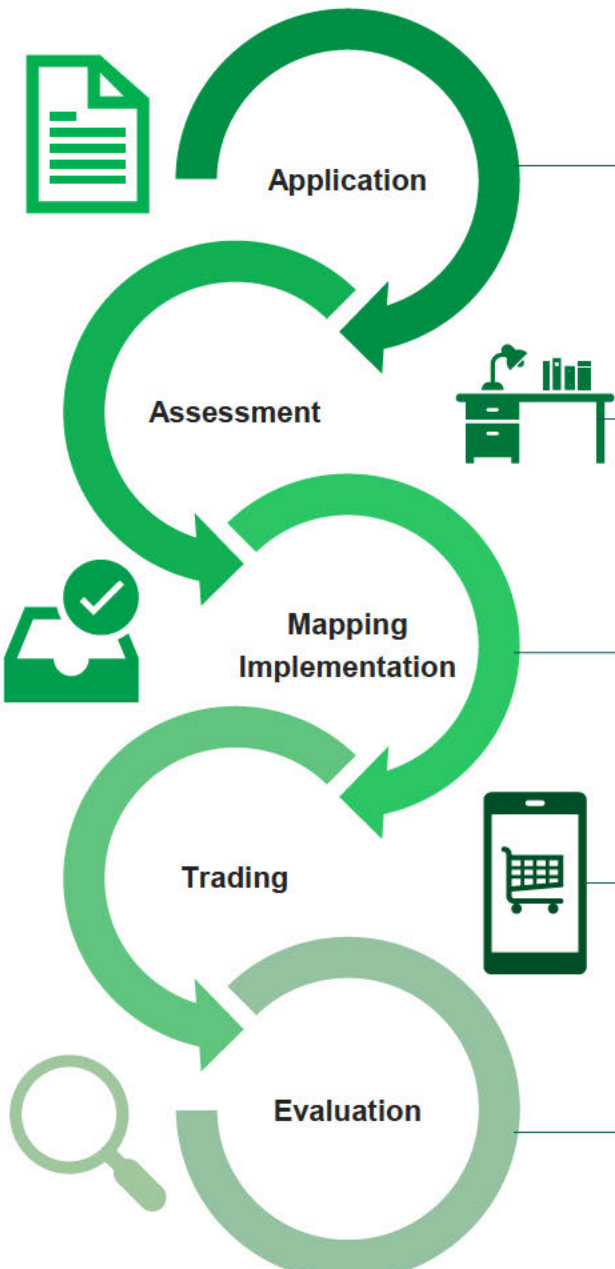


- GovCo has delegated powers from FMA's Board to approve any regulatory tools for Pilot firms.
- Provide support and guidance for SME teams during the mapping and implementation phases.



- Responsible for working with each of the firms to find a viable regulatory tool.
- Made up of teams from Legal, Regulatory Policy, Investment Management, Deposit Taking, Financial Advice, Financial Reporting, and Operational Resilience.

# Sandbox Pilot phases



- Launched Expression of Interest (EoI) form on 10<sup>th</sup> December 2024
- 24 firms with various business models applied to be part of the Pilot

Teams responsible

Fintech/  
Working  
Group

- Phase 1 assessment – Assessing the 24 firms' EoI forms against eligibility criteria
- Phase 2 assessment – Interview with FMA SMEs and the firms w/ standard question set

Fintech/  
Working  
Group

- Mapping – Working with SME teams to agree an approach
- Implementation – Working with SME teams to action the approach

Legal/GovCo  
/Fintech/SME

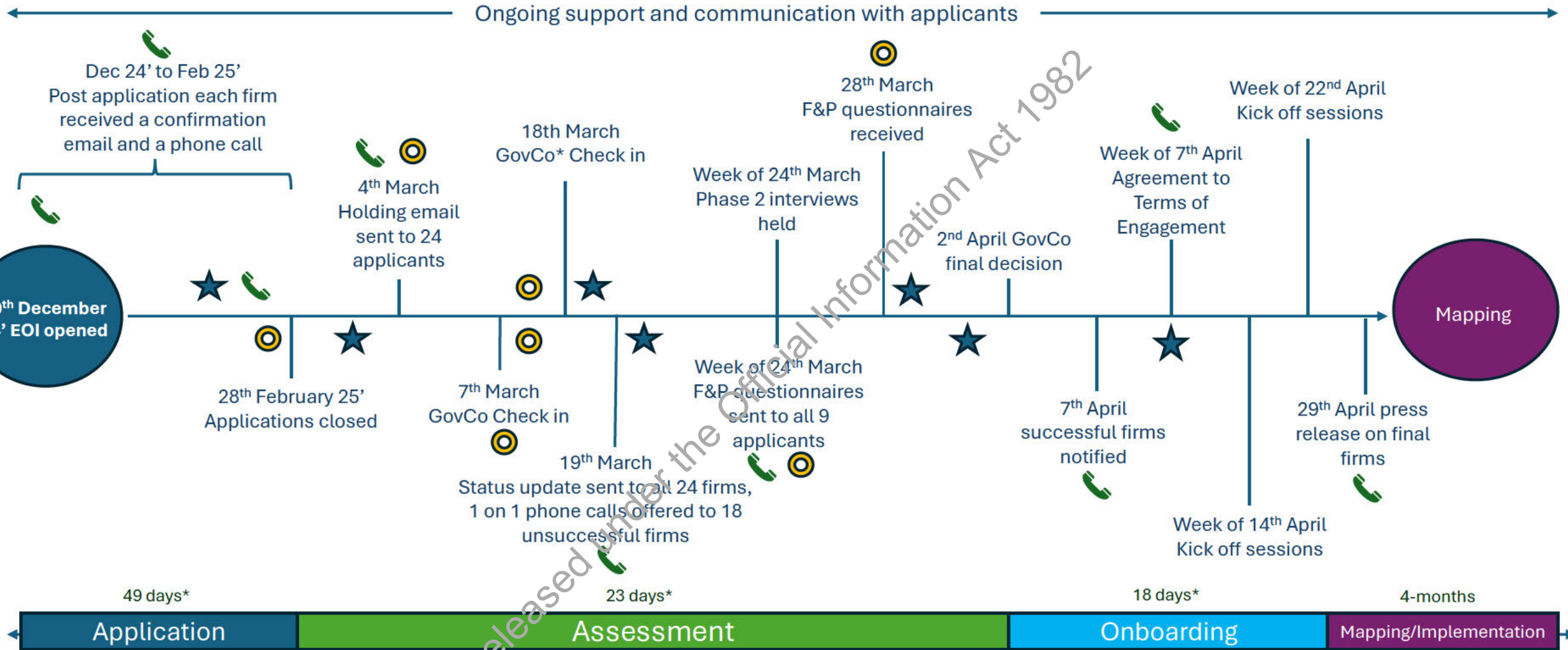
- Firms have been granted their regulatory tool and have begun trading with retail investors

Fintech

- The FMA takes stock of the progress from both an internal and external perspective to understand if the Pilot has reached its objectives

Fintech

# Sandbox Pilot - Application to Mapping Timeline



**Key**

- days\* - Business days
- GovCo – Sandbox Governance Committee
- ★ Sandbox Working Group Meetings
- 🕒 Meetings regarding CRM and F&P questionnaires
- 📞 Communications with participants/external updates on social media/website

# Pilot participants

Fintech firm	Details on their intentions
<b>ECDD Holdings Limited</b>	ECDD Holdings Limited (part of the exchange service Easy Crypto) intends to launch a yield-bearing NZD-backed stablecoin and to generate revenue from interest earned on money held on trust in interest-bearing accounts.
<b>Emerge Group Limited</b>	Emerge is a digital banking alternative offering products like debit cards, current accounts, and in-app expense tracking. Customer funds are currently held in trust with a partner bank but Emerge aims to transition to higher yielding options such as government bonds.
<b>Homeshare</b>	Homeshare offers investors the opportunity to own a fractional share of real estate, with each property divided into 1,000 equal shares. These shares are tokenised and can be bought and sold via an online platform.
<b>IndigiShare</b>	IndigiShare aims to improve access to capital for Māori entrepreneurs and small businesses. It seeks to offer Te Whare Manaaki (a koha loan platform), as a way to lower barriers to entry for indigenous businesses and enable community entrepreneurship.
<b>Invest in Farming Co-op</b>	IIF (Invest in Farming) is an Australian-based cooperative that connects investors to farming by digitising ownership of livestock, aquaculture, horticulture, and agriculture. It allows investors to own a share of agricultural assets, where investment returns are unlocked on the sale of the stock or crop.
<b>Tandym Limited</b>	A group investment platform enabling people to form groups and build wealth together in a social and engaging way - while removing administrative burden.

# Benefits and challenges of running a Regulatory Sandbox



1. Improving ways of working
2. Reducing regulatory burden
3. Understanding new business models
4. Enabling teams to engage directly with fintechs
5. Challenging existing licensing approach
6. Bringing other agencies on board to collaborate
7. Improving our relationship with the fintech community

1. Resource intensive
2. Firms may not be at the stage they need to be at to participate
3. Firms may not have finalised their business models in time
4. Sandbox duration may not align with when the firm wants to launch
5. Managing expectations from industry

Thank you!

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## Expression of interest (EOI) template

 <b>FMA Sandbox 2025 application overview</b>		
Question(s)	Answer(s) given	Comment(s) + any additional information provided by firms
<i>ID</i>		
<i>Start time</i>		
<i>Completion time</i>		
<i>Email</i>		
<i>Name</i>		
<i>Last modified time</i>		
<i>Name of business</i>		
<i>Place of business</i>		
<i>Contact name for engagement</i>		
<i>How can we contact you? Please include your contact number and email.</i>		
<b>Product</b>		
<i>What is the status of the product or service you are proposing to test in the Sandbox. Select from one of the following options:</i>		
<i>What stage is your business at?</i>		
<i>Is your product available in any overseas markets?</i>		
<i>In brief, describe the product or service you are offering.</i>		
<i>Solutions Overview - What is the service/product you are developing?</i>		
<b>Problem</b>		
<i>The Problem - What problem are you solving?</i>		
<b>Business Model</b>		
<i>The Business Model - How does your solution generate revenue? What fees do customers pay?</i>		
<b>Technical</b>		
<i>Technical - What are the main technical building blocks of your solution? How does information, data and money flow?</i>		
<b>People</b>		
<i>People - What roles do key people hold in your business?</i>		
<i>Roadmap - What are the main deliverables from your roadmap over the next few years?</i>		
<i>What do you consider innovative about your product or service? Is this a completely new offering or a better version of something that already exists?</i>		
<b>Customers</b>		
<i>Who are your customers?</i>		
<i>Where are your customers located?</i>		
<b>Barriers to entry</b>		
<i>Provide an overview of the main questions you are seeking guidance on</i>		
<i>Identify the legislation or regulation you have already considered and the conclusions you have reached about the impact on your business. Have you had legal advice on this?</i>		
<i>Explain the purpose of the test or transactions you would like to run in a regulatory sandbox environment.</i>		
<b>Risk Mitigation</b>		
<i>What are the main risks that customers may be exposed to by using your product or service?</i>		
<i>How do you plan to mitigate these risks from materialising or minimising potential harm to consumers?</i>		
<i>What plans do you have in place to protect consumers from loss in the event of the company being wound down or the company being denied permission to operate after the testing phase finishes?</i>		

## Assessment matrix

Phase 1 Assessment			
Assessment Criteria	Comments	Please select answer	Assessment completed by
Does this entity provide a product or service that fits within the scope of the FMA's remit?	Please insert rationale for answer here.	Choose one	
Does the entity offer an innovative product or service that either a) is unique in the market and/or b) solves an existing problem in New Zealand's Financial Services industry?	Please insert rationale for answer here.	Choose one	
Does the product or service demonstrate a tangible benefit for consumers?	Please insert rationale for answer here.	Choose one	
Note any disproportionate or elevated risks.	Please insert rationale for answer here.	Choose one	
What level of relevant regulatory burden, barriers, or uncertainty have been identified?	Please insert rationale for answer here.	Choose one	
Has the applicant submitted enough information for the FMA to make an informed decision to progress this application to the next phase of the program?	Please insert rationale for answer here.	Choose one	
<b>Working Group &amp; Technical Expert recommendation:</b> Should the applicant proceed to Phase 2? (Explain why)	Please insert rationale for recommendation here.	Choose one recommendation	Please insert reviewers names here.
<b>Governance Committee final decision:</b> Should the applicant proceed to Phase 2?	Do you agree with the recommendation above? Please insert conclusion here.	Choose one	Please insert reviewers names here.
<b>Overall result of Phase 1 assessment</b>	Choose one		

## Checklist for shortlisted applicants ahead of Phase 2 interview assessment

Phase 2 Checklist		
Has the due diligence questionnaire been returned?	Choose one	
Are we satisfied that the applicant is fit and proper to proceed to the next stage based on the results of the questionnaire?	Choose one	If you have chosen Option 2, please give a detailed explanation.
Has the applicant been informed of their progression or rejection to the Phase 2 interview?	Choose one	Please insert any additional information.



# FMA Fintech Sandbox Phase 2 Interview

## Applicant name

**PREPARED BY:**

**CONTRIBUTORS:**

**DATE OF INTERVIEW:** 24/03/2025

Lead FMA Interviewer	
Additional FMA SME attendees	
Sandbox applicant attendees	
Link to Phase 1 assessment	

# 1. FinTech Sandbox Interview Questions

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## Summary of application from Phase 1

### Application summary

Please insert a brief overview of the application here. Also include any additional question prompts or areas you wish to explore more during the interview.

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## Core questions for interview

No.	Question	Answer given by applicant + any notes from interviewer
1	<b>Capability and experience</b> <i>Please talk us through the relevant experience of your key personnel as it relates to the delivering of the service you are proposing to run in the Sandbox.</i>	<i>Answer provided by applicant.</i>
2	<b>Risks and benefits for consumers</b> <i>Tell us about the market for your product or service. What key benefits will the offering provide to consumers?</i>	<i>Answer provided by applicant.</i>
3	<b>Risks and benefits for consumers</b> <i>What are the main risks you see to consumers using your product or service? How will you mitigate them?</i>	<i>Answer provided by applicant.</i>
4	<b>Pathway to market and barriers</b>	<i>Answer provided by applicant.</i>

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*Please explain how ready your product or service is for customers and your general pathway to market from here. Please briefly cover:*

- *non-regulatory challenges (e.g. future capital needs or further work on product development)*

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**5** ***How the Sandbox pilot can support your pathway to market*** *Answer provided by applicant.*

*Tell us how you see a regulatory sandbox successfully supporting your firm on its pathway to market.*

- *What specific features or characteristics should it have? (Use as a prompt if necessary)*
- *What would a less positive sandbox experience look like? (Use as a prompt if necessary)*

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**6** ***Financial resources*** *Answer provided by applicant.*

*Please tell us about your financial position and how you intend to cover operational costs during your time in the Sandbox. Please give details about liquidity, if you are prepared to respond to financial instability and how you are prepared to handle investors' monies.*

### ***Reflections from the interview panel***

The purpose of this section is to summarise the interview with respect to the following:

- a) *Are we comfortable in the applicant's ability to partake in the Sandbox?*
- b) *Are we sure we can help the applicants through the Sandbox?*
- c) *Has the applicant demonstrated a robust understanding of their offering?*
- d) *Was the applicant able to answer technical questions in a clear way?*
- e) *Does the applicant have a clear understanding of the regulatory barriers they face (within an FMA context)?*
- f) *Did the applicant appear forthcoming in answering questions, timely in attending the interview and engaged throughout?*
- g) *Anything else that stood out?*

*Please enter your reflections here.*

## 2. 2<sup>nd</sup> Round – Recommendations

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### Working Group & Technical Expert recommendations

<b>Reviewed by: Name</b>	<b>Reviewed on:</b> <i>Click or tap to enter a date.</i>
<b>Reviewer comments:</b>	Summary of reviewer's assessment


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### Approval – ELT Governance Committee

<b>Approved by: Name/s and role/s</b>	<b>Approved on:</b> <i>Click or tap to enter a date.</i>
<b>Approver comments:</b>	Approval comments if required

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### 3. Overview of Phase 1 Assessments

 <b>FMA Sandbox 2025 application overview</b>		
Question(s)	Answer(s) given	Comment(s) + any additional information provided by firms
<i>ID</i>		
<i>Start time</i>		
<i>Completion time</i>		
<i>Email</i>		
<i>Name</i>		
<i>Last modified time</i>		
<i>Name of business</i>		
<i>Place of business</i>		
<i>Contact name for engagement</i>		
<i>How can we contact you? Please include your contact number and email.</i>		
Product		
<i>What is the status of the product or service you are proposing to test in the Sandbox. Select from one of the following options:</i>		
<i>What stage is your business at?</i>		
<i>Is your product available in any overseas markets?</i>		
<i>In brief, describe the product or service you are offering.</i>		
<i>Solutions Overview - What is the service/product you are developing?</i>		
Problem		
<i>The Problem - What problem are you solving?</i>		
Business Model		
<i>The Business Model - How does your solution generate revenue? What fees do customers pay?</i>		
Technical		
<i>Technical - What are the main technical building blocks of your solution? How does information, data and money flow?</i>		

<b>People</b>		
<i>People - What roles do key people hold in your business?</i>		
<i>Roadmap - What are the main deliverables from your roadmap over the next few years?</i>		
<i>What do you consider innovative about your product or service? Is this a completely new offering or a better version of something that already exists?</i>		
<b>Customers</b>		
<i>Who are your customers?</i>		
<i>Where are your customers located?</i>		
<b>Barriers to entry</b>		
<i>Provide an overview of the main questions you are seeking guidance on</i>		
<i>Identify the legislation or regulation you have already considered and the conclusions you have reached about the impact on your business. Have you had legal advice on this?</i>		
<i>Explain the purpose of the test or transactions you would like to run in a regulatory sandbox environment.</i>		
<b>Risk Mitigation</b>		
<i>What are the main risks that customers may be exposed to by using your product or service?</i>		
<i>How do you plan to mitigate these risks from materialising or minimising potential harm to consumers?</i>		
<i>What plans do you have in place to protect consumers from loss in the event of the company being wound down or the company being denied permission to operate after the testing phase finishes?</i>		

**Phase 1 Assessment**

<b>Assessment Criteria</b>	<b>Comments</b>	<b>Please select answer</b>	<b>Assessment completed by</b>
<i>Does this entity provide a product or service that fits within the scope of the FMA's remit?</i>	<i>Please insert rationale for answer here.</i>	Choose one	
<i>Does the entity offer an innovative product or service that either a) is unique in the market and/or b) solves an existing problem in New Zealand's Financial Services industry?</i>	<i>Please insert rationale for answer here.</i>	Choose one	
<i>Does the product or service demonstrate a tangible benefit for consumers?</i>	<i>Please insert rationale for answer here.</i>	Choose one	
<i>Note any disproportionate or elevated risks.</i>	<i>Please insert rationale for answer here.</i>	Choose one	
<i>What level of relevant regulatory burden, barriers, or uncertainty have been identified?</i>	<i>Please insert rationale for answer here.</i>	Choose one	
<i>Has the applicant submitted enough information for the FMA to make an informed decision to progress this application to the next phase of the program?</i>	<i>Please insert rationale for answer here.</i>	Choose one	
<b>Working Group &amp; Technical Expert recommendation:</b> Should the applicant proceed to Phase 2? (Explain why)	<i>Please insert rationale for recommendation here.</i>	Choose one recommendation	<i>Please insert reviewers names here.</i>
<b>Governance Committee final decision:</b> Should the applicant proceed to Phase 2?	<i>Do you agree with the recommendation above? Please insert conclusion here.</i>	Choose one	<i>Please insert reviewers names here.</i>
<b>Overall result of Phase 1 assessment</b>	Choose one		





## SANDBOX PHASE 2 INTERVIEW PROCESS

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### Purpose

The purpose of the Phase 2 interviews is for FMA to ask more specific questions to the applicants about elements of their application which may give us more clarity about how best we can help them. The Expression of Interest form provided us with general information about the applicants and their offerings, however, there are still open questions about the FMA specific barriers they face and what kind of experience they want to have within the Sandbox. To get the most out of these engagements, we have identified that a centralised document is necessary to:

- a) Clarify roles and responsibilities of panelists,
- b) Highlight the most important questions we want to ask,
- c) Provide panelists with access to key documentation,
- d) Prepare panelists for any questions that the applicants may ask about the sandbox, and
- e) Facilitate an efficient feedback loop to the Sandbox Governance Committee.

### Scope of document

Therefore, this paper will cover the following:

1. Preparation for interviews
  - a. Roles & responsibilities of panelists
  - b. Interview structure
  - c. Documentation – Template overview
  - d. Questions & reflections
  - e. Q&As for panelists during interviews
2. Post interview recommendations
3. Resources for panelists

### Preparation for interviews

#### 1.a) Roles & responsibilities

All interviews will take one hour and will commence from the 24<sup>th</sup> March until the 27<sup>th</sup> March 2025.

The interview panels will include:

- **FinTech & Innovation Technical Expert** – who will be the lead interviewer and will be present at all the interviews. Responsibilities include opening the interviews, introducing candidates and SMEs and commencing the interview with the first question. Additionally, if

the applicants ask any questions during the interview the TE will answer on behalf of the group with approved key messages contained in section 1.d) of this paper.

- **FinTech & Innovation Senior Advisor** – will attend to facilitate all the interviews. Responsibilities include organising interviews, liaising with applicants to organise times, minute-taking and ensuring decisions are captured and escalated as needed.
- **2-3 SMEs from teams such as:** Regulatory Policy, Licensing, Regulatory Services, Investment Management, CE Office, Investor Information and Legal. Responsibilities include asking questions, crafting final recommendations and liaising with the Fintech team to propose final recommendations to the Governance Committee.

### 1.b) Interview structure

The interviews will follow the structure below to ensure that all questions are answered:

- *Opening greeting & introduction (Technical Expert – 5 minutes)*
- *Questions (All – 45 minutes)*
- *AOB (All – 10 minutes)*

### 1.c) Documentation

Before the interviews take place, it may be useful to look back at the applicant’s Phase 1 assessments, which you can access here: [FMA FinTech Sandbox Pilot Phase 1 Assessments Feb 25.xlsx](#)

There is a designated folder for Phase 2 interview planning here: [Interview planning](#)

Additionally, there is a separate folder for interview templates that have been retrofitted with information about the candidates here: [Interview Assessments - notes & decisions](#). Panelists can add notes into the templates during and after the interviews.

#### Template overview

The Fintech team has provided templates for all Phase 2 interviews. The templates are structured as follows:

## FMA Fintech Sandbox Phase 2 Interview

Applicant name |

PREPARED BY: JADE SMYTH - FINTECH & INNOVATION  
CONTRIBUTORS: ALAN CROFTS - FINTECH & INNOVATION  
DATE OF INTERVIEW: 26/03/2025

Lead FMA Interviewer	Alan Crofts
Additional FMA SME attendees	
Sandbox applicant attendees	
Link to Phase 1 assessment	<a href="#">FMA FinTech Sandbox Pilot Phase 1 Assessments Feb 25.xlsx</a>

1. **Cover page** – includes information relating to attendees, dates, and links to Phase 1 assessments.

## 1. FinTech Sandbox Interview Questions

### Summary of application from Phase 1

#### Application summary

Please insert a brief overview of the application here. Also include any additional question prompts or areas you wish to explore more during the interview.

#### Core questions for interview

No.	Question	Answer given by applicant + any notes from interviewer
1	<b>Capability and experience</b> Please <i>talk</i> us through the relevant experience of your key personnel as it relates to the delivering of the service you are proposing to run in the Sandbox.	Answer provided by applicant.
2	<b>Risks and benefits for consumers</b> Tell us about the market for your product or service. What key benefits will the offering provide to consumers?	Answer provided by applicant.
3	<b>Risks and benefits for consumers</b> What are the main risks you see to consumers using your product or service? How will you mitigate them?	Answer provided by applicant.
4	<b>Pathway to market and barriers</b>	Answer provided by applicant.

2. **Applicant Overview & Questions** – includes a brief overview of the applicant’s application and pre-agreed questions that will be allocated to each of the panelists.

Reflections
<p>The purpose of this section is to summarise the interview with respect to the following:</p> <ul style="list-style-type: none"> <li>a) Are we comfortable in the applicant’s ability to partake in the Sandbox?</li> <li>b) Are we sure we can help the applicants through the Sandbox?</li> <li>c) Has the applicant demonstrated a robust understanding of their offering?</li> <li>d) Was the applicant able to answer technical questions in a clear way?</li> <li>e) Does the applicant have a clear understanding of the regulatory barriers they face (within an FMA context)?</li> <li>f) Did the applicant appear forthcoming in answering questions, timely in attending the interview and engaged throughout?</li> <li>g) Anything else that stood out?</li> </ul> <p>Please enter your reflections here.</p>

3. **Reflections** – this section is for the panelists to articulate their recommendations. We have included prompts which may help you determine your final recommendation.

## 2. 2<sup>nd</sup> Round – Recommendations

### Working Group & Technical Expert recommendations

<b>Reviewed by:</b> Name	<b>Reviewed on:</b> <small>Click or tap to enter a date.</small>
<b>Reviewer comments:</b>	Summary of reviewer’s assessment

### Approval – ELT Governance Committee

<b>Approved by:</b> Name/s and role/s	<b>Approved on:</b> <small>Click or tap to enter a date.</small>
<b>Approver comments:</b>	Approval comments if required

4. **Final recommendations** – after the panel agrees their final combined recommendations, they will be housed here alongside any comments provided by the Governance Committee.

### 3. Overview of Phase 1 Assessments

FMA Sandbox 2025 application overview		
Question(s)	Answered given	Comment(s) - any additional information provided by firm
ID		
Start time		
Completion time		
Time		
Name		
Last modified time		
Name of business		
Place of business		
Contact Name for engagement		
How can we contact you? Please include your contact number and email.		
What is the status of the product or service you are proposing to test in the Sandbox. Select from one of the following options: What stage is your business at?		
Is your product available in any overseas markets?		
In brief, describe the product or service you are offering.		
Solutions Overview: What is the service/product you are developing?		

- Overview of Phase 1 assessments** – to assist you in crafting your recommendations, we have included the initial information provided by the applicant in their EOI form and the Phase 1 assessment conclusions.

#### 1.d) Questions & reflections

##### Questions

The question set for the interviews will feature consistent themes relevant to:

- *Capability and experience*
- *Risks and benefits for consumers*
- *Pathway to market and barriers*
- *How the sandbox pilot can support entry to market*

In order to gauge suitability for entry to the sandbox, it is important that we prioritise core questions when conducting the interviews. **There are 6 core questions which must be answered** within the one-hour period. **The panellists can move the applicant along to the next question if time is running out.** The themes and questions are as follows:

##### Capability and experience

- *Please talk us through the relevant experience of your key personnel as it relates to the delivering of the service you are proposing to run in the Sandbox. (Core question)*
  - *Do they have experience in financial services, do they have sufficient technical skills. If there are gaps how do they propose to fill them. If appropriate ask about external advisors, do they have any, what skills do they have.*

##### Risks and benefits for consumers

- *Tell us about the market for your product or service. What key benefits will the offering provide to consumers? (Core question)*

- *What are the main risks you see to consumers using your product or service? How will you mitigate them? (Core question)*

#### **Pathway to market and barriers**

- *Please explain how ready your product or service is for customers and your general pathway to market from here. Please briefly cover:*
  - *non-regulatory challenges (e.g. future capital needs or further work on product development) (Core question)*

#### **How the Sandbox pilot can support pathway to market**

- *Tell us how you see the regulatory sandbox successfully supporting your firm on its pathway to market. (Core question)*
  - *What specific features or characteristics should it have? (Use as a prompt if necessary)*
  - *What would a less positive sandbox experience look like? (Use as a prompt if necessary)*

#### **Financial resources**

- *Please tell us about your financial position and how you intend to cover operational costs during your time in the sandbox. Please give details about liquidity, if you are prepared to respond to financial instability and how you are prepared to handle investors' monies. (Core question)*

These themes will also be used as assessment criteria when presenting final recommendations to the Governance Committee.

#### **Reflections**

For the purpose of making a recommendation to the Governance Committee, the panelists will need to document their recommendations in the reflections section of the interview template.

The prompts in this section were agreed to by the Working Group's subgroup and are to be interpreted as questions to help panelists articulate their recommendations reflective of both the interview questions and the applicant's overall suitability. The prompts are:

- a) Are we comfortable in the applicant's ability to partake in the Sandbox?*
- b) Are we sure we can help the applicants through the Sandbox?*
- c) Has the applicant demonstrated a robust understanding of their offering?*
- d) Was the applicant able to answer technical questions in a clear way?*
- e) Does the applicant have a clear understanding of the regulatory barriers they face (within an FMA context)?*
- f) Did the applicant appear forthcoming in answering questions, timely in attending the interview and engaged throughout?*
- g) Anything else that stood out?*

### **1.e) Q&As for panelists**

The purpose of the Q&As in this section is to provide panelists with pre-approved answers in case applicants or their representatives ask specific questions during the interviews. **If at any point, an applicant or their representatives ask a question, the Technical Expert will answer on behalf of the panel and the FMA.** The Q&As are as follows:

#### **On the interview process**

##### **Q: When can we expect to hear back?**

- We expect to be in touch again by mid-April after we've reviewed applications with details of next steps.

##### **Q: What if I'm not selected?**

- Stay in touch. We may offer future rounds of the sandbox.

#### **On the Sandbox**

##### **Q: What does it look like if I get in?**

- We will work closely with you, your legal teams, and internal SMEs to understand explore what solutions to regulatory barriers FMA can offer. We will design a bespoke engagement plan for each firm. Our focus will be on solutions to regulatory barriers that the FMA can directly control. The FMA will look to respond to every issue promptly, or as soon as it is able to do so.

##### **Q: How long will I be in the Sandbox?**

- The sandbox experience will be different for each candidate, depending on how the FMA can help and the type of product or service in the sandbox, and the type of regulatory solution that might be put in place.

##### **Q: What is a regulatory sandbox and what tools do you have?**

- The FMA's approach to this sandbox is to facilitate market innovation and growth by learning about the regulatory barriers your business is facing and seeking to design regulatory solutions.
- We have a range of formal and informal tools that we are seeking to use in normal and innovative ways. What solutions we can offer will ultimately depend on the regulatory barriers involved.

##### **Q: What happens at the end?**

- Because the experience is tailored to each candidate, exit from the Sandbox will look different for different products and services.

##### **Q: Are there any fees involved?**

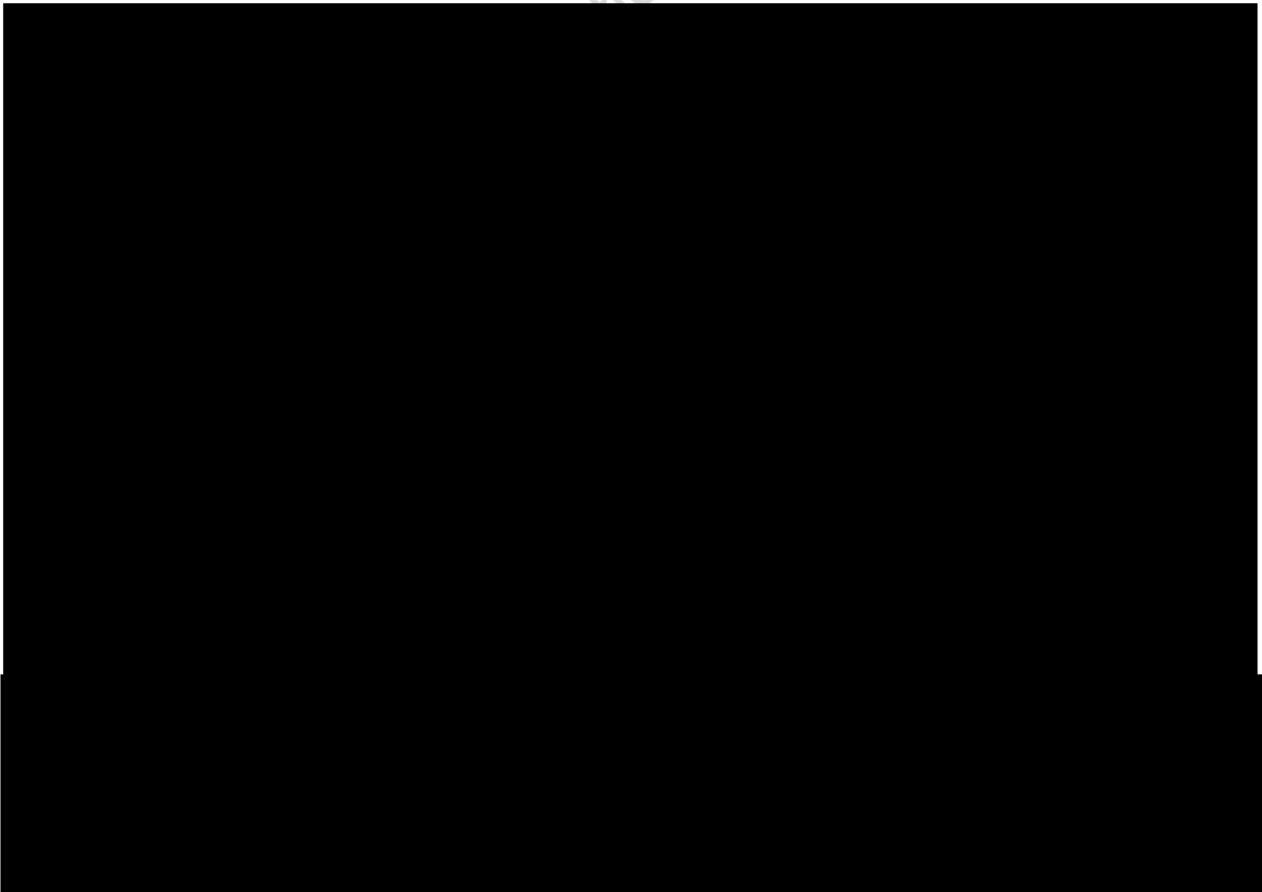
- There is no cost for the regulatory sandbox pilot itself. Some regulatory tools (such as individual exemptions) do have some costs involved. Before we get to that stage, we will be clear on what the expected costs involved are.

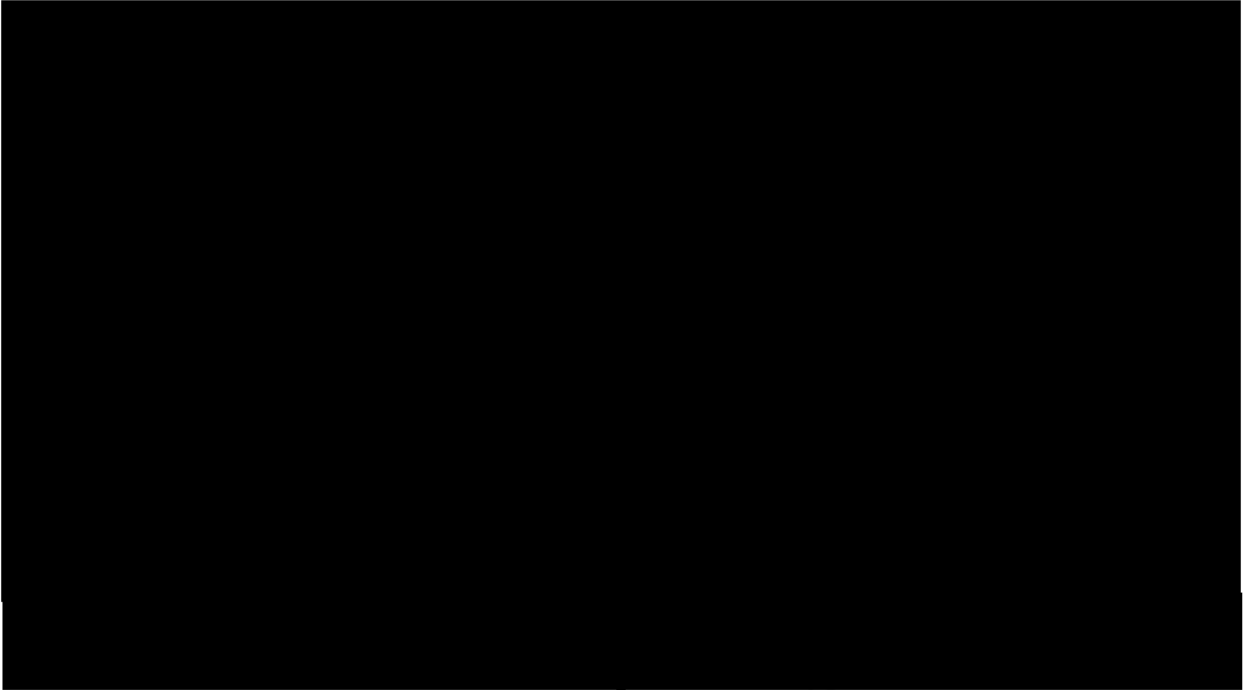
## 2) Post interview recommendations – collation of feedback & final recommendations

1. Once the interview is finished, the panelists will update their reflections section by COB the day of the interview and will work together to finalise a recommendation before Thursday 27<sup>th</sup> March COB.
2. One nominated panelist will work with the Senior Advisor (Innovation & Fintech) to incorporate the recommendations into the Governance Committee template. (To be circulated – drafted with Legal & Regulatory Policy teams).
3. Each panel will nominate one person to discuss at the 31<sup>st</sup> March Working Group meeting about the proposed recommendations.
4. The Working Group will challenge the recommendations and will determine together the final 6 applicants who they think should enter into the sandbox.
5. 2 members from the Working Group will also be scheduled to attend the Governance Committee meeting on the 2<sup>nd</sup> April alongside the Fintech team and will work alongside the team to draft the Governance Committee paper.

## 3) Resources for panelists

Please find below information regarding applicant's name, panelists, dates, times & relevant folders that house the interview templates.





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**FINANCIAL MARKETS AUTHORITY**  
**FINTECH SANDBOX GOVERNANCE COMMITTEE**

Meeting No. 2

Wednesday 2<sup>nd</sup> April 2025

Released under the Official Information Act 1982

**RECOMMENDATIONS FOR ENTRY TO THE SANDBOX**

## Governance Committee Paper

Wednesday 2<sup>nd</sup> April 2025

### Recommendations on applicants for the Sandbox pilot

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#### Purpose

This paper summarises for the Governance Committee the Phase 2 interviews, the Working Group's recommendations on the 9 applicants interviewed, seeks your approval of the Terms of Engagement, and provides detail on the next phases of the sandbox.

#### Interviews and recommendations

The Working Group (we) recommended that 6 of the 9 applicants progress into the sandbox. In the interview phase, we considered in particular:

- Capability and experience of the management team
- Risks and benefits for consumers/users
- Proposed pathway to market, including regulatory barriers and other challenges
- How the Sandbox can assist applicant's pathway to market

Below (Table1) is an overview of the applicants, what stage they are at, what they want to test in the sandbox, and what their expected pathway is. Supplementary information about the assessment is in [REDACTED]

Where we recommended an applicant should not proceed at this stage, we considered there was more work for the applicant to do on the business model, benefits or innovative features of the product did not outweigh risks, or the applicant had needs for professional advice services that were less well-suited for the FMA to provide (even in a sandbox environment).

#### Decision

Your decision to progress applicants to the operative sandbox stage does not mean that any regulatory solution will be granted and, as covered in the Terms of Engagement, the FMA and successful candidates may choose to exit the sandbox at any stage.

#### Next steps

Successful firms will need to pass fit and proper person checks (which are underway for all candidates currently) and to agree to the Terms of Engagement which is here [REDACTED] for your review and approval.

#### Workstream planning

We will prepare a high-level workstream plan to sequence and prioritise firms based on their needs and expected regulatory solutions in three phases once we have a clear idea about which firms will progress. This will enable us to map resource needs to specific teams and use both the time and resources of the FMA and the firms efficiently.

## Phase 1 – Mapping sandbox journey

This phase will involve us working together with firms closely to better identify and scope in appropriate detail the particular regulatory solution(s) the firm wishes to seek, and to understand what a successful sandbox journey looks like for the applicant (e.g. formal tools, like individual exemptions, designations, or licences) or informal tools (like expert guidance or engagement to learn more about regulatory barriers).

- **Resourcing:** This phase will be co-led by the Sandbox team and SMEs from Legal, Licensing, Investor Information and Regulatory Policy.
- **Timing:** 1-3 weeks depending on complexity of issues and tools selected, and how clear the applicant is on their own goals and desired outcomes

## Phase 2 – Working with the firm and implementing the appropriate tool(s)

This phase will involve working closely with the firm to implement the regulatory solution(s) chosen in phase 1.

For formal tools, FMA is envisaged to take a much more active role in designing, drafting conditions or exemptions and resolving regulatory issues than the normal applicant-led licence conditions or individual exemptions. The Governance Committee will approve the formal tool(s).

For informal tools, an intense period of collaboration is expected, with the FMA and applicant working closely together to navigate the identified regulatory barriers and to find a pathway to market.

- **Resourcing:** This phase will be the most intensive resource phase. In line with normal processes for specific regulatory tools, work on formal tools will be co-led by SMEs from Legal, Regulatory Policy, Licensing, and Investor information, with support from the Sandbox Team. Work on informal tools will be with SMEs and the Sandbox team as appropriate.
- **Timing:** Up to 6 months, depending on complexity and type of regulatory solution(s) selected.

## Phase 3 – Ongoing engagement

This is the 'operational' phase of the sandbox where the firms test their product or service.

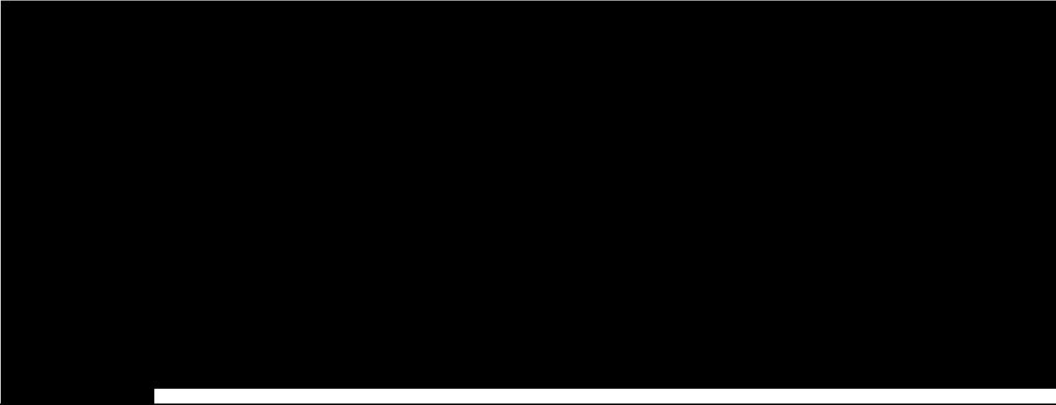
- **Resourcing:** The Intensive Supervision and Fintech teams will undertake the initial intensive period of engagement once the firms are granted their tools. The engagement structure is still to be determined based on how complex the products or services are, and relevant SMEs will remain available to support the firms as 'relationship managers' during this period.
- **Timing:** Will be applicant specific but may be within the 12-24 month range to allow sufficient time to test the product or service and to prepare to wind down or transition to full compliance. Formal tools such as exemptions or licenses would be of limited duration to align with this phase.

## Recommendation

- **Consider** the recommendations made by the Working Group in Table 1 below.
- **Review and approve** the sandbox Terms of Engagement.
- **Decide** the final applicants who will be granted entry into the sandbox.

31<sup>st</sup> March 2025

**Sandbox Working Group contributors**



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**Other materials**

- Phase 1 assessment Excel - [redacted]
- Phase 2 interview templates - [redacted]

## **FINANCIAL MARKETS AUTHORITY BOARD**

Meeting No. 126

Tuesday 18 February 2025

**Agenda Item 13: Fintech Sandbox Pilot**

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## Board Paper

Tuesday 18 February 2025

### Fintech Sandbox Pilot

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#### Purpose

This paper updates the Board on developments on the FMA Sandbox Pilot announced in December 2024.

#### Recommendation

- (a) note and discuss the content of this paper; and
- (b) approve the executive proceeding with the pilot on the basis set out in this paper.

  
31 January 2025

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## Background

Fintech NZ presented a paper to Minister Bayly on 2 October 2024 proposing the development of a Sandbox to support innovation in the New Zealand FinTech sector. The Minister asked the FMA to lead this work.

The Fintech NZ paper reinforced the benefits of sandbox including lowering the barriers to entry, addressing the workarounds and removing the ambiguity on costs and the time for completion associated with securing FMA exemptions.

All of these issues present material challenges to early stage, high growth FinTech's who have high demands on their working capital and need to scale rapidly to acquire customers and generate revenue. Time to market is a critical issue and impacts both bootstrapped and venture funded firms. This is particularly acute in New Zealand, where smaller market size and scalability present additional challenges.

Although the primary focus of the Sandbox pilot is early-stage firms, we have held initial conversations with large financial institutions who have expressed an interest in participating in the Sandbox. We propose that we should continue these discussions where we see a clear innovation benefit for New Zealand.

## Rationale for a Sandbox

Our view is that developing a Sandbox will enable FinTechs to potentially:

- Test new products and services in a controlled environment
- Ascertain whether a business model is viable and attractive to consumers, or how a particular technology works in the market
- Achieve a reduced time to market at potentially lower cost
- Reduce some of the ambiguity associated with bringing new financial products to market.

It will also help the FMA understand innovative business models, the regulatory barriers facing the Fintech community and if appropriate take action to reduce those barriers.

As a pilot exercise we have decided to test an FMA-only sandbox – making use of existing regulatory tools such as individual exemptions and license conditions. This will enable us to better understand the range of issues that our existing tools can address, while allowing us to explore the potential case for a broader, cross-agency sandbox (which may require legislative support).

The FMA will also gain insights into issues that sit outside of the FMA's remit. These will be shared with the appropriate Government agencies and potentially inform ongoing law reform discussions.

The learnings from the engagement with the firms in the Sandbox will be fed into the design of our licensing and supervisory practices across FMA.

## Sandbox Eligibility

The Sandbox is available for:

- Unlicensed firms wanting to test new products or services.
- Firms holding existing licenses wanting to test new products or services
- Firms offering products and service to Retail customers, Wholesale customers, or both.
- International firms bringing products and services to New Zealand.

## Sandbox Model

Our working hypotheses for the Pilot are as follows:

The FMA will take a bespoke regulatory approach to each company in the sandbox. This approach may result in higher workload for the FMA, but given the shallowness of the New Zealand market our current view is that this approach may be a better fit in places than, say, a class exemption approach.

Speed of decision making within the FMA will be crucial if we are to operate at a pace that aligns with industry norms. We need a pragmatic approach to risk management to strike a balance between consumer protection and supporting financial innovation.

Other regulatory sandboxes have taken different approaches with some opting for a class exemption approach whereas others have opted for a company-by-company approach supported by a case manager. We will test this hypothesis as part of the company engagement phase. Information on the FCA and ASIC regulatory sandbox's can be found in these links:

- <https://asic.gov.au/for-business/innovation-hub/enhanced-regulatory-sandbox-ers>
- <https://www.fca.org.uk/firms/innovation/regulatory-sandbox>

## Applications from firms

For the initial six-month pilot phase, we are planning to run two cohorts of applications with a limited number of firms in each cohort. Applications for Cohort one opened on 10<sup>th</sup> December and will close on the 21<sup>st</sup> of February. As of 31 January, we have had 13 applications. This approach should allow us to manage our resources effectively. We may need to reassess this approach if application levels exceed our expectations.

## Assessment process and Governance

The process for selection of firms is as follows:

- Firms register their interest through an online form at [FMA Sandbox Applications](#)
- The FMA Fintech specialist reviews all applications and meets with all applicants.
- Fintech specialist will complete the initial triage of applications
- All applications are forwarded to the Sandbox Working Group with a recommendation for further consideration or place on hold.
- The core Sandbox Working Group will be composed of members from the following business units: Licensing, Legal, Regulatory Policy and Regulatory Services and Investment Management. Additional support will be provided by subject matter experts as required.
- The Sandbox Working Group review applications and decide on which firms to meet in person.
- The Sandbox Working Group make their recommendations to The Sandbox Governance Group (subset of ELT: [REDACTED]). The Sandbox Governance Group will receive a list of all applications prioritised using predetermined criteria. Decisions and rationale will be captured in the assessment forms.
- The Sandbox Governance Group decide on who is accepted into the Sandbox.

In making our recommendations, we will consider a range of criteria including whether:

- Genuine innovation exists that is either unique or solves an existing issue
- Benefit to consumers is likely
- The product or service does not pose high risk of causing consumer harm

- There is a demonstrated need to be in the Sandbox
- The firm is ready and has a product to test
- The management team have appropriate experience and skills to execute the sandbox testing plan.

Each firm will agree to a standard set of terms and conditions for the duration of their time in the Sandbox. We propose that each firm's tenancy in the Sandbox is limited to a maximum of 24 months.

We will develop an individual plan for each firm in the Sandbox which will be reviewed by the Sandbox Governance Group. The plan will be designed to strike a balance between enabling innovation and managing the risks associated with testing new financial products with consumers in a live environment. Risk mitigation may include:

- Limiting the number of customers who are offered the products or services.
- Limiting the dollar value of transactions that can be processed.
- Taking a phased approach where restrictions can be gradually lifted as the testing matures.
- Ensuring customers are aware that the product or service is being offered as part of Sandbox.
- Ensuring the firms have documented process which can be actioned to reverse errors.

In addition to the above we are aware that initiatives of this type can attract negative sentiments which may negatively impact the FMA. For example,

- Firms have been unsuccessful in their Sandbox applications.
- Firms have not achieved the results they hoped for during their tenure in the Sandbox.
- Consumers may experience technical glitches or poor service levels.
- There are perceptions that we are creating an uneven playing field by favouring one particular segment of the market over another.

To mitigate this, we have actively managed industry expectations in the Fintech roundtables with Minister Bayly and are developing a communications plan that will provide us with the support in the event that these issues arise.

The formal tools to be employed to assist firms will vary according to the product, service, and needs. While the sandbox proposed will enable firms to test in a live environment, the conditions we will attach to participants will mean that the potential impact of each is low. Firms will be monitored while in the sandbox, and where necessary we may adjust the terms of any exemption or licence during the period of the pilot.

As we are approaching each case individually, we propose that decisions on the application of tools, including exemptions, licenses, and conditions, be taken by the Sandbox Governance Group.

Our existing operating procedure relating to fees for individual exemptions requires cost recovery for all costs incurred as part of the exemption process. The fees are charged to the firm applying for the exemption. While the FMA has a responsibility to recover fees, we can manage these costs by ensuring that the majority of our design-stage engagement is undertaken before a formal application is submitted – which also enable us and the sandbox firms to assess whether there is a feasible solution within our existing powers.

# Fintech Sandbox Pilot - Terms of Engagement

## 1. Background

The FMA is New Zealand's conduct regulator of financial markets. Our main objective is to promote and facilitate the development of fair, efficient, and transparent financial markets. We also aim to promote innovation and flexibility, and the confident and informed participation of businesses, investors, and customers in financial markets. This means one of our key goals is to facilitate innovation while safeguarding investor interests.

To help us achieve this goal, we've established a pilot regulatory sandbox programme (**Pilot**), to allow fintechs to test innovations in a controlled environment. The Pilot supports our objectives of facilitating responsible innovation, while mitigating risks to investors and customers.

We are excited to welcome you as a participant to our Pilot. These terms of engagement (**Terms**) are a guide as to how we'll work together during the course of the Pilot.

## 2. Pilot duration

The term of this Pilot shall be from [Xx] 2025 and will end on [Xx] 2025, unless otherwise agreed between you and us.

Participation in the Pilot is voluntary, and you may withdraw from the Pilot at any time. We may end your participation in the Pilot if we conclude, in consultation with you, that this is appropriate.

## 3. How we will work together

In our engagement with you, we will be guided by our values and our role as a kaitiaki of New Zealand's financial markets which includes supporting the Crown to honour its obligations to Te Tiriti o Waitangi.\*

We'll use our best endeavours to provide you with expert support and guidance to help you find practical financial markets regulatory solutions tailored to supporting your product or service.

We'll work together in good faith at all times, and collaborate and coordinate with each other to get the most out of the Pilot. This includes:

- engaging with each other in an open, transparent, and professional manner;
- timely communication of relevant information and ideas; and
- raising any concerns or issues early.

The sandbox engagement process is intended to be flexible and your experience in the Pilot will be bespoke to your individual needs. While we can't guarantee any particular result as a result of your

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\* See Appendix for more about our role as kaitiaki.

participation in the Pilot, regulatory options that we may explore with you during the Pilot might include:

- designing and implementing formal tools such as limited term individual exemptions, individual designations, or licences with bespoke conditions, to allow for testing in a controlled environment with appropriate safeguards in place; and/or
- informal tools such as expert guidance, engagement and assistance with structuring and designing your product or service, to assist you to navigate regulatory uncertainty and practical challenges; and/or
- working with you to generate a tailored plan for exiting the Pilot, which might involve you operating with formal tools in place such as exemptions or bespoke licences in place for 12-24 months, with ongoing supervision and/or support by us.

We can't provide you with legal advice, but we'll raise with you any legal concerns or issues we see at an early stage. If you have legal advisers, we're happy to meet and work with them during the Pilot.

#### **4. Other**

Your participation in the Pilot doesn't mean that the FMA is approving or endorsing your product or service.

You'll remain responsible for your compliance with all legal and regulatory obligations, during and after the Pilot. Your participation in the Pilot does not limit any of the FMA's rights in accordance with our objectives and functions, including our ability to take any regulatory or enforcement action.

We are not responsible for any costs or liability incurred by you as a result of your participation in the Pilot. Please note that some formal tools, such as an individual exemption notices, may incur an additional fee. It will be your choice as to whether to apply for such tools, and we'll do our best to work with you to manage any associated costs.

#### **5. Confidentiality**

We expect you to provide us with the information and details we need to support you during the course of this Pilot. We confirm that information and documents disclosed to us will at all times be treated as confidential and held securely, in accordance with our obligations under section 59 of the FMA Act. In the event that your information is the subject of a request under the Official Information Act, we will notify you at the earliest opportunity. For information about how we collect, store and disclose information, and how we use it, see the FMA's [Privacy Statement](#) and [Transparency statement on information gathering](#).

As part of our communications and engagement strategy around the Pilot, we may wish to publish details of your participation - for example your name, logo and a high level description of your product on our website or social media channels. If you don't want any of these details shared publicly, please let us know as soon as possible.

## APPENDIX

Our role as a kaitiaki of financial services in Aotearoa New Zealand is characterised by the following four principles:

**Mana** - Compels us to act responsibly with integrity and humility.

**Manaaki** - Compels us to acknowledge, empower and respect others, to uphold their mana.

**Tiaki** - Compels us to protect, care for and enable ourselves and others.

**Tika** - Compels us to pursue what is right, fair, and just.

DRAFT