

Cross-Border Testing Frequently Asked Questions (FAQs)

Background

The Global Financial Innovation Network (GFIN) is a network of over 60 organisations committed to supporting financial innovation in the best interest of consumers. It seeks to provide a more efficient way for innovative firms to interact with regulators, helping them navigate between countries as they look to scale new ideas. One of the ways GFIN seeks to achieve this is by developing a cross-border testing framework, colloquially known as the “global sandbox”.

Cross-Border Testing (CBT) is defined as “an environment that allows firms to consecutively or concurrently trial and scale new technologies, products or business models in multiple jurisdictions, gaining real-time insight into how a product or service might operate in the market”.

Purpose

This short Q&A document has been designed to assist firms who are considering applying or in the process of applying to participate in cross-border testing. The document explains the process involved, timelines, and other relevant information to assist firms during the process. It covers:

- [Cross-Border Testing background and approach](#)
- [Applying for Cross-Border testing](#)
- [Application window and review process](#)
- [Test data and information sharing](#)
- [General questions](#)

Cross-Border Testing background and approach

Question	Answer
What is cross-border testing (CBT)?	CBT is an environment that allows firms to consecutively or concurrently trial and scale new technologies, products or business models in multiple jurisdictions, gaining real-time insight into how a product or service might operate multiple markets.
Do all GFIN members participate in CBT?	No, not all GFIN members participate in CBT. A detailed list of the GFIN members currently participating in CBT can be found here .
What financial services activities are covered as part of the CBT?	Different regulators support various financial services in their jurisdiction. The Regulatory Compendium contains regulators’ criteria for firms to participate in CBT in their jurisdiction - firms should confirm that their activities are supported before applying to a jurisdiction.

I'm interested in running a cross-border test sequentially in different jurisdictions rather than concurrently, is this possible?	Yes – depending on the test. Given the resource required to conduct simultaneous testing activity in multiple jurisdictions, we anticipate that some firms may wish to time tests sequentially rather than concurrently. We remain open to the possibility of concurrent testing where a firm is ready to test a use case that justifies that approach.
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Applying for Cross-Border Testing

Question	Answer
How can my firm apply?	Firms can apply through the Single-Entry application form which will be submitted to the selected regulators. Please note that there may be additional requirements for applicants in certain jurisdictions. You will be contacted if this is the case.
What types of firms can apply to participate in CBT?	Firms wishing to test innovative FinTech, RegTech and SupTech solutions in multiple participating jurisdictions.
What if I am unsure about where to test?	Firms wishing to participate in CBT must carefully consider the jurisdictions they wish to test with and provide a rationale for each. This information will be used to support the GFIN 'ready to test' eligibility criteria. If you are unsure, we would encourage that you speak with your local regulator before applying.
Do I need to be authorised by the regulator in my home jurisdiction to participate in CBT trials?	Each jurisdiction may have differing regulatory remits. You should check with the regulator in your home jurisdiction whether there would be any regulatory implications, registration or authorisation requirements prior to submitting your application for CBT.
Do I need to have a physical presence in my chosen jurisdictions before I can apply?	Different regulators will have different requirements pertaining to physical presence. The Regulatory Compendium contains information about regulators' criteria for firms to participate in CBT under their supervision, but firms are encouraged to further check with individual regulators on this particular topic.
Is there a limit or restriction on the number of jurisdictions that firms can apply to test?	There is no restriction on the number of jurisdictions that a firm can apply to. However, firms should consider whether they have the necessary resources to support a test in all the chosen jurisdictions and will be asked to provide rationales for applying to each jurisdiction.

If I have more than one product I would like to trial in the same jurisdiction do I have to make separate applications?	Yes. It is encouraged that applicants focus on no more than one solution in a single jurisdiction at any given point in time. However, applicants can check with individual regulators to explore their capacity to handle the testing of more than one solution at the same time.
Can I apply to test in just one jurisdiction?	No. As this is a “cross-border” framework and service, firms looking to test in one jurisdiction are advised to directly contact the relevant regulators in that jurisdiction for further information on their domestic firm support services. Contact details for GFIN members are included in the Regulatory Compendium .
Is there a set length of time available to trial our product in the jurisdiction that we apply to?	CBT test duration will typically be limited to 6 months. However, all tests will be different and participating regulators have discretion to vary individual cases. In most cases, firms should be ready to demonstrate how they can complete a test within a 6 month period.
Are cross-border tests targeted towards a specific theme?	No. Participating GFIN members are currently open to any qualifying innovative financial product or solution. This includes RegTech and SupTech solutions.
I have successfully completed sandbox trials in my home jurisdiction, am I required to involve my regulator in the cross-border test?	This depends on the requirements of your home regulator. Please note that not all GFIN members are participating in the CBT. Please check the participant list here .
My home regulator is a part of GFIN but is not participating in cross-border tests. Can I still apply?	Certain restrictions may apply. Please contact your home regulator for a non-objection letter if your proposed solution or test would constitute a regulated activity in your home jurisdiction.
Are there any prerequisites for firms applying to the cross-border tests?	No. The CBT is open to any firms wishing to test their FinTech, SupTech or RegTech solution in multiple jurisdictions.

Application window and review process

Question	Answer
When is the deadline to submit my application?	31 st December 2020.
I’ve applied. When can I expect a response?	For all applications, a lead regulator will be appointed who will co-ordinate responses from all regulators to which you have applied. You should expect a response within 6 to 8 weeks of the application period closing.
Is it possible to be accepted by only some of the regulators’ my firm has chosen?	Yes, as applications are assessed by each of a firm’s selected regulators against their individual criteria, it is possible that a firm could be accepted by only some of

	<p>their chosen regulators. Following application review, the GFIN will confirm which regulators have accepted to work with you and you can then proceed to design a testing plan with that group.</p>
When will CBT begin?	<p>Following a review process, firms will work with the relevant regulators to begin developing joint testing plans.</p>
My application has been rejected and I don't agree with your decision; can I appeal?	<p>The GFIN is committed to having an open dialogue with stakeholders including firms that apply for CBT. If an application for cross-border testing is rejected based on our evaluation criterion, the GFIN will communicate our decision and the reasons why to the relevant contact at the applicant firm as soon as possible.</p>
How often do cross border tests occur?	<p>Information on CBT cohorts and the opening of the application window for the next cohort will be communicated via the GFIN website.</p>
How does the GFIN evaluate the applications received?	<p>The evaluation criteria depend on the requirements of the relevant regulators in the jurisdictions firms apply to.</p> <p>There are several steps to be considered in the process:</p> <ol style="list-style-type: none"> 1. Meeting GFIN application criteria; 2. Jurisdiction to support that sector; 3. Ability to find a partner in the target jurisdiction (if needed).
What can I expect once my firm is accepted for the cross-border test?	<p>The procedures after firms are admitted to cross border tests depend on the requirements of the jurisdictions firms apply to. A lead regulator will be appointed and will coordinate responses from all participating regulators. GFIN expects open and co-operative communications with the firm that has applied for CBT.</p>
If my firm is accepted, is it possible to postpone the cross-border test to the next cohort?	<p>An applying firm should be able to demonstrate readiness to test as part of this cohort. If a firm chooses to postpone the test to the next cohort, the GFIN cannot guarantee that this opportunity will be made available. This depends on whether or not the regulators will be able to support the test for the next cohort and the requirements of the next cohort given the results and learnings generated from the current one.</p>

Test data and information sharing

Question	Answer
What test data will I be required to share with the GFIN?	<p>It is advised to check with individual regulators on their reporting requirements for sandbox/cross-border trials. This will partially depend on any testing plans agreed, if your firm is accepted to test.</p> <p>Test data that does not contain personal information or confidential business information may be shared amongst the GFIN members.</p>
How is firm/personal data protected under GDPR or other data protection requirements?	<p>The data protection requirements depend on the privacy framework in the jurisdiction firms apply to.</p> <p>As part of your application, GFIN requests your consent to the sharing of information (including personal data - i.e. applicant name and email address) with the regulatory authorities of your chosen jurisdictions to carry out the application assessment both within and outside of the European Economic Area (EEA) as relevant.</p> <p>Protection of consumer data will also be one of the matters that regulators discuss with successful applicants when developing the testing plans.</p>
Will this information be shared between all GFIN members?	All CBT information will be shared amongst regulators that your firm choose to conduct the test with.

General questions

Question	Answer
Which regulators are a part of the GFIN?	A complete list of members can be found here .
What kind of support does the GFIN offer to firms who are accepted?	Firms should review the Regulatory Compendium to better understand the individual support services provided by each member. The GFIN does not provide any financial support to firms accepted to CBT. The GFIN provides regulatory support limited to the regulators taking part in the specific cross-border test that your firm is engaged in.
Can my firm apply to become a member of the GFIN?	No. Currently, GFIN membership is limited to financial regulators and related organisations committed to supporting financial innovation in the best interest of consumers.
Do I need to notify my home state regulator before I submit my application?	This depends on your home state regulations and whether or not the

	regulator requires you to notify them of such.
Are there any cost implications when applying for CBT?	There is no fee to submit an application for cross-border testing. However, there may be fees associated with the testing depending on the jurisdiction your firm chooses to test in.
How can my firm benefit from CBT?	Cross-border testing enables firms to test their innovative financial solutions across multiple jurisdictions simultaneously. Your firm will not only be able to gain exposure, but may also gain credibility in being able to successfully undertake regulatory testing in a number of jurisdictions. This may also give your firm extensive experience dealing with multiple regulators and understanding the opportunities available in different markets.
My firm applied to take part in the 2019 pilot. Do I need to submit a new application?	Yes, we require you to submit a new application for this cohort's CBT.
What was the outcome of the 2019 CBT pilot cohort?	GFIN has published a report on the learnings of the 2019 CBT pilot cohort. The report can be accessed via https://www.thegfin.com/publications .
If I am admitted to test, what happens if my firm does not agree with or cannot support the regulators test plan?	This will be evaluated on a case- by-case basis. Regulators and participating firms can choose to terminate the test at any point in time during the CBT, including during the scoping and design phase.