



Amendment No. 3
Effective date: 21 May 2026

GUIDELINES NO. FTU/G-1/2017/1

GUIDELINES ON FINTECH REGULATORY SANDBOX



1. INTRODUCTION

1.1 These Guidelines are issued pursuant to section 32 of the Brunei Darussalam Central Bank Order, 2010.

[Amendment No. 1 dated 9 December 2020]

1.2 The evolution of financial technology (FinTech) has given rise to innovations that allow more sophisticated financial services to be offered to customers. Similarly, these innovations may also give rise to uncertainty on whether compliance to regulatory requirements are being met.

[Amendment No. 2 dated 13 June 2024]

1.3 In circumstances where it is less clear whether a new financial service complies with existing legal and regulatory requirements, interested qualified applicants can apply to enter a regulatory sandbox to experiment with innovative financial services in the production environment but within well-defined parameters. The sandbox includes appropriate safeguards to contain the consequences of failure and maintain the overall safety and soundness of the financial system.

[Amendment No. 3 dated 21 May 2026]

1.4 These **FinTech Regulatory Sandbox Guidelines (the “Guidelines”)** aim to provide clarity on the objectives and principles of the regulatory sandbox. This document will also serve as a guide for applicants on the application process.

[Amendment No. 1 dated 9 December 2020]

1A. APPLICABILITY

1A.1 The Guidelines may interest banks, financial institutions and FinTech companies that are looking to apply technology in an innovative way to provide financial services that are, or are likely to be, regulated by the Authority. For the avoidance of doubt, sandbox entities should expect that any participation in the regulatory sandbox will not affect their duty to comply with applicable laws and regulations, unless specified otherwise.

[Amendment No. 3 dated 21 May 2026]

1A.2 The Guidelines apply to any applicant who wishes to apply for admission to a regulatory sandbox.

1A.3 The Guidelines are not exhaustive and subject to revision from time to time as deemed necessary by the Authority.

[Amendment No. 2 dated 13 June 2024]

1A.4 The Guidelines are effective on 27 February 2017.

[Amendment No. 1 dated 9 December 2020]



2. DEFINITION OF TERMS

2.1 For the purpose of the Guidelines –

“Authority” means Brunei Darussalam Central Bank;

[Amendment No. 2 dated 13 June 2024]

“applicant” means any bank, financial institution or FinTech company which intends to apply or has applied for the Authority’s **approval to participate in the** regulatory sandbox;

[Amendment No. 3 dated 21 May 2026]

“bank(s)” has the meaning assigned to it under section 2 of the Brunei Darussalam Central Bank Order, 2010.

[Amendment No. 3 dated 21 May 2026]

“financial institution(s)” has the same meaning assigned to it under section 2 of the Brunei Darussalam Central Bank Order, 2010. For the avoidance of doubt, this includes Perbadanan Tabung Amanah Islam Brunei, established under the Perbadanan Tabung Amanah Islam Brunei Act (Chapter 163).

[Amendment No. 3 dated 21 May 2026]

“financial services” means financial products, services or processes;

“FinTech” means financial technology;

“FinTech company” means any company incorporated or registered under the Companies Act (Chapter 39) or business registered under the Business Names Act (Chapter 92) that utilises or plans to utilise FinTech, but excludes banks and financial institutions;

[Amendment No. 3 dated 21 May 2026]

“Islamic product(s)” has the same meaning given under the Notice on Application Process of Islamic Product [Notice No. SYAFI/N/01/2022];

[Amendment No. 3 dated 21 May 2026]

“major changes” means any changes to entity’s IT system (e.g. mobile application, online portal) and operations (other than parameters and services) **that may affect customer’s experience of the entity’s system, or affect customer’s personal data;**

[Amendment No. 2 dated 13 June 2024]

“regulatory sandbox” refers to the framework that enables qualified companies or businesses to experiment with innovative FinTech solutions in a relaxed regulatory environment, for a limited period of time and boundaries;

“sandbox entity” refers to any applicant which has been given approval by the Authority to participate in the regulatory sandbox;

[Amendment No. 3 dated 21 May 2026]



3. THE FINTECH REGULATORY SANDBOX APPROACH

- 3.1 In an effort to provide an environment that is conducive for innovation, the Authority will adopt the FinTech Regulatory Sandbox approach to encourage safe and responsible experimentation.
- 3.2 Interested parties may apply to enter a regulatory sandbox in which to experiment and test their solutions.
- 3.3 Upon receipt of an application, the Authority will inform the applicant in writing that their application has either been:
- a) Approved to participate in the regulatory sandbox, subject to conditions specified by the Authority; or
 - b) Rejected.
- [Amendment No. 3 dated 21 May 2026]
- 3.4 The Authority recognises that risk and failures are inherent aspects of innovation, thus, a regulatory sandbox should contain all the safeguards necessary to contain the consequences of these elements, with the overall safety and soundness of the financial system being a prime consideration.
- [Amendment No. 3 dated 21 May 2026]
- 3.5 The Authority will work together with the applicant, and depending on the financial service involved, specific conditions will be identified. The Authority may impose additional conditions and vary or remove existing conditions during the sandbox period. Please refer to **APPENDIX A** for examples of the conditions that the Authority may consider imposing during the duration of the sandbox.
- [Amendment No. 2 dated 13 June 2024]
- 3.6 Upon obtaining approval of their application from the Authority, the sandbox entity will be responsible for deploying and operating within the regulatory sandbox.
- [Amendment No. 3 dated 21 May 2026]
- 3.7 Upon the successful completion of the experiment, the sandbox entity must fully comply with all relevant legal and regulatory requirements if it wishes to proceed with deployment on a wider scale.



4. OBJECTIVE AND PRINCIPLES OF THE REGULATORY SANDBOX

- 4.1 This paragraph 4 aims to provide the rationale for deploying a regulatory sandbox. A regulatory sandbox should not be used to circumvent existing legal and regulatory requirements.
- 4.2 By encouraging the adoption of innovative and safe technologies through FinTech experimentation in a well-defined environment, customers will be able to enjoy the benefits associated with this technology.
- 4.3 It should be emphasised that since the regulatory sandbox operates in a live environment, the consequences of failure should be contained by defining the space and duration of the regulatory sandbox.
- 4.4 Applicants should be able to show that they have carried out their due diligence before applying to enter the regulatory sandbox, including testing the proposed solution in a test environment, as well as have knowledge on the relevant legal and regulatory requirements for deploying it.

[Amendment No. 3 dated 21 May 2026]

- 4.5 The regulatory sandbox may not be suitable where the proposed technology is similar to those that are already being applied in other financial services offered in Brunei Darussalam:
- a) by banks, financial institutions or FinTech companies; or
 - b) where a 2-year time period has elapsed from the first known implementation,
- unless the applicant can show that a different technology is being applied or the same technology is being applied differently.

[Amendment No. 3 dated 21 May 2026]

5. REGULATORY SANDBOX EVALUATION CRITERIA

- 5.1 This paragraph 5 outlines the main evaluation criteria that the Authority will use to assess applications submitted. **APPENDIX B** shows the supporting information that an application should contain.
- 5.2 The supporting information should explain how the regulatory sandbox evaluation criteria below will be fulfilled:
- (a) The proposed financial service is innovative (e.g. new or emerging technology or uses existing technology in an innovative way) and there are few or no comparable offerings in Brunei Darussalam, with clear potential to:
 - i. Improve accessibility, efficiency, security and quality in the provision of financial services;



- ii. Enhance the efficiency and effectiveness of risk management; and/or
- iii. Address a problem or bring benefits to consumers or the industry.

[Amendment No. 3 dated 21 May 2026]

- (b) The applicant has the intention as well as the ability to deploy the proposed financial service on a broader scale after exiting the regulatory sandbox;
- (c) Clear test scenarios and expected outcomes;
- (d) Clear and appropriate parameters or boundaries of the regulatory sandbox for the protection of consumers as well as the safety and soundness of the financial industry;
- (e) Identification, assessment and mitigation of the risks arising from the experimentation of the proposed financial service; and
- (f) A clear and suitable exit and transition strategy in the event that the proposed financial service has to be discontinued or if it proceeds for deployment on a broader scale.

6. REPORTING AND INFORMATION REQUIREMENTS

- 6.1 During the regulatory sandbox period, the Authority requires the sandbox entities to submit information relating to the testing.

[Amendment No. 3 dated 21 May 2026]

- 6.2 In order to meet this requirement, the sandbox entity should ensure proper maintenance of records during the sandbox period to support reviews of the test by the Authority.

[Amendment No. 3 dated 21 May 2026]

- 6.3 The sandbox entity must submit interim reports to the Authority on the progress of the test, which may include information on the following:

- (a) key performance indicators, key milestones and statistical information;
- (b) key issues arising as observed from fraud, operational and IT incident reports;
- (c) actions or steps taken to address the key issues referred to in paragraph 6.3(b);
- (d) major changes made to the sandbox **entity's** IT system and operations, including upgrades or enhancements.

[Amendment No. 3 dated 21 May 2026]



- 6.4 The frequency and specific details to be included in interim reports will be agreed between the Authority and the sandbox entity, taking into account the duration, complexity, scale and risks associated with the test.
- 6.5 A final report containing the following information should be submitted to the Authority within 30 calendar days from the expiry of the regulatory sandbox period:
- (a) key outcomes, key performance indicators against agreed measures for the success or failure of the test and findings of the test;
 - (b) a full account of all incident reports and resolution of customer complaints;
 - (c) list of major changes on the IT system and operations; and
 - (d) in the case of a failed test, lessons learnt from the test.

[Amendment No. 3 dated 21 May 2026]

- 6.6 All reports should be confirmed by the Chief Executive Officer (CEO), or in situations of joint testing where more than one sandbox entity of the regulatory sandbox is involved, both CEO's confirmation are required.

[Amendment No. 3 dated 21 May 2026]

7. EXTENDING OR EXITING THE REGULATORY SANDBOX

- 7.1 Once the regulatory sandbox period ends, any set conditions, including the legal and regulatory requirements relaxed by the Authority will expire and the sandbox entity must exit from the regulatory sandbox.

[Amendment No. 3 dated 21 May 2026]

- 7.2 If an extension is required, then the sandbox entity should make an application to the Authority for the extension at least 1 month before the expiration of the regulatory sandbox period, providing reasons to support the application. The Authority will review applications of this nature on a case-by-case basis and its decision on the application for extension is final.

- 7.3 Prior to the expiry of the regulatory sandbox period, the Authority will inform the sandbox entity whether to allow the solution to be introduced in the market on a broader scale. Where allowed, the sandbox entity intending to carry out regulated activities will submit an application that will be assessed by the Authority based on applicable licensing, approval and registration criteria under any laws administered by the Authority, as the case may be. This is further subject to the following criteria:

- (a) Both the Authority and the sandbox entity are satisfied that the regulatory sandbox has achieved its intended test outcomes; and



- (b) The sandbox entity is able to demonstrate it can fully comply with relevant legal and regulatory requirements.

[Amendment No. 2 dated 13 June 2024]

- 7.3A The completion of the regulatory sandbox period does not in itself constitute approval from the Authority or indicate suitability for wider commercial deployment.

[Amendment No. 3 dated 21 May 2026]

- 7.4 The Authority may extend the regulatory sandbox period for a period that may be deemed appropriate by the Authority.

[Amendment No. 2 dated 13 June 2024]

- 7.5 The Authority may revoke an approval to participate in the regulatory sandbox at any time before the end of the regulatory sandbox period and the Authority may also prohibit deployment of the solution in the market due to any of the following reasons:

- (a) The Authority is not satisfied that the regulatory sandbox has achieved its intended purpose, based on the test scenarios, outcomes and schedules which were mutually agreed;
- (b) The sandbox entity is unable to fully comply with the relevant legal and regulatory requirements. If such a situation is anticipated, the sandbox entity is encouraged to engage with the Authority at least 30 calendar days before the **date of the regulatory sandbox's expiry**;
- (c) The risks outweigh the benefits of the service especially where the solution used has adverse consequences for the public and/or financial stability, and the sandbox entity acknowledges that the flaw cannot be addressed within the duration of the regulatory sandbox;
- (d) The Authority terminates the regulatory sandbox due to the sandbox entity breaching any conditions imposed during the duration of the regulatory sandbox;
- (e) The sandbox entity has informed the Authority of its decision to exit the regulatory sandbox at its own discretion; or
- (f) Any other reason determined by the Authority.

[Amendment No. 3 dated 21 May 2026]

- 7.6 The sandbox entity is expected to ensure that any existing obligation to the customers of the financial service under experimentation should be completely fulfilled or addressed before exiting the regulatory sandbox or discontinuing the regulatory sandbox. This may include, but is not limited to, the following:

- (a) immediately implementing its exit plan to cease the provision of the product, service or solution to new and existing customers;



- (b) providing notifications to customers informing them of the cessation and their rights to redress where relevant; or
- (c) complying with any obligations imposed by the Authority to dispose of all confidential information, including customer personal information.

[Amendment No. 3 dated 21 May 2026]

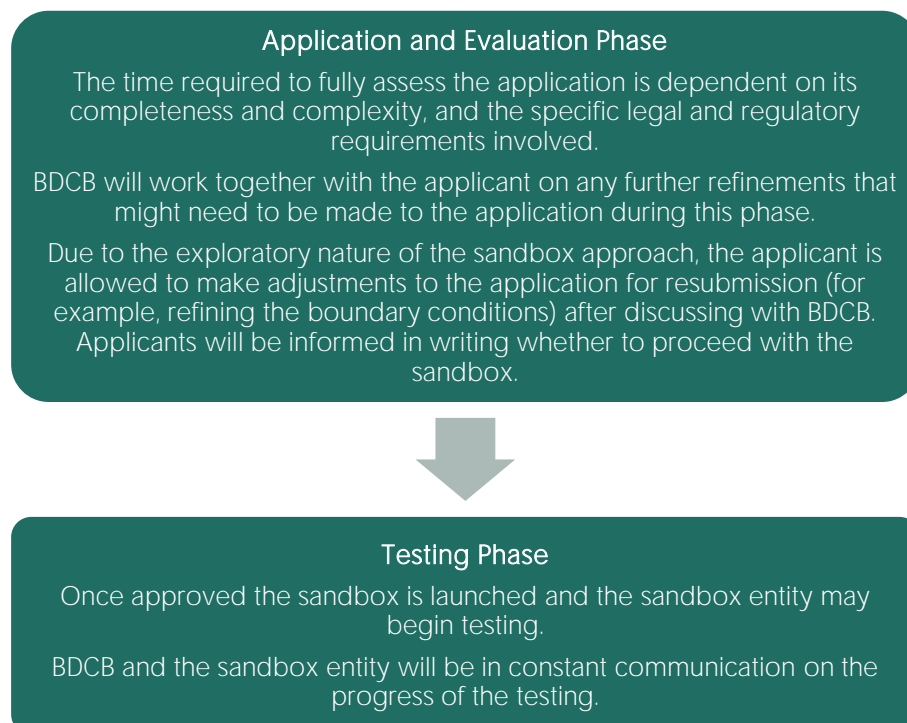
8. APPLICATION AND APPROVAL PROCESS

- 8.1 Prior to submitting an application, the applicant may seek clarification on any questions regarding applying for the regulatory sandbox by contacting the Authority at fintech@bdcdb.gov.bn.

[Amendment No. 3 dated 21 May 2026]

- 8.2 Applicants should ensure that the objective, principles and criteria specified under paragraph 4 (Objective and Principles of the Regulatory Sandbox) and paragraph 5 (Regulatory Sandbox Evaluation Criteria) are satisfied before submitting the application in **APPENDIX B** to the Authority at fintech@bdcdb.gov.bn. Applicants may be required to provide other information as part of their application prior to a decision.

[Amendment No. 1 dated 9 December 2020]





- 8.2A Banks and financial institutions intending to have Islamic products tested in the regulatory sandbox are required to adhere to the application process under Notice on Application Process of Islamic Product [Notice No. SYAFI/N/01/2022].

[Amendment No. 3 dated 21 May 2026]

- 8.3 Applicants will be informed if their applications are rejected. Applicants may re-apply when the reasons for their rejection have been addressed.

- 8.4 At the beginning of the testing phase, the sandbox entity shall notify its customers that their new solutions are being tested in a regulatory sandbox, explain key risks associated with it, as well as obtain customer acknowledgement that these risks have been understood. For the avoidance of doubt, such notification relates solely to the sandbox activity and does not affect the regulatory status of the sandbox entity, if applicable.

[Amendment No. 3 dated 21 May 2026]

- 8.5 If the sandbox entity intends to make material changes to the service that is under experimentation, an application should be made to the Authority at least 30 days in advance with reasons for the change. The sandbox entity may continue with the existing service while the Authority reviews the request.

- 8.6 The Authority will publish all relevant information regarding the new solutions experimented by sandbox entities, not limited to the Authority's website for the purposes of informing the general public.

[Amendment No. 3 dated 21 May 2026]

**MANAGING DIRECTOR
BRUNEI DARUSSALAM CENTRAL BANK**



APPENDIX A: EXAMPLES OF SET CONDITIONS FOR THE SANDBOX [ADDED VIA AMENDMENT NO.1 DATED 9 DECEMBER 2020]

The following table provides examples of set conditions that the Authority may impose during the duration of the sandbox. It must be emphasised that the examples outlined in the table are not exhaustive. Depending on the proposed financial service, the applicant involved and the application made, the Authority will determine the specific conditions which it is prepared to add on for each case.

Examples of conditions to be met
Confidentiality of customer information
Fit and proper criteria particularly on honesty, integrity, reputation and financial soundness
Handling of customer's moneys and assets by intermediaries
Prevention of money laundering and countering the financing of terrorism
Examples of "Possible To Relax" conditions
Financial requirements
Fund solvency and capital adequacy
Licence fees
Credit rating
Board composition
Management experience
Relative size



APPENDIX B: BDCB FINTECH REGULATORY SANDBOX APPLICATION FORM [AMENDED VIA AMENDMENT NO.3 DATED 21 MAY 2026]

Section A: Applicant's Information

Type of Applicant:	<input type="checkbox"/> Financial Institution <input type="checkbox"/> FinTech Company <input type="checkbox"/> Others (Please specify):
Organisation (Applicant)	
Product/Service Name	
Address	
Website	
Email	
Telephone	
Company Licence / Business Registration Number	

Contact Person	
Designation	
Email	
Telephone	

Note:

- (a) The regulatory sandbox is meant to enable experimentation of innovative financial services/products that are or are likely to be regulated by the Authority.
- (b) Before submitting an application, you are highly recommended to contact fintech@bdcg.gov.bn to seek any clarifications.
- (c) The completeness and clarity of the information provided in the application will determine the time taken for BDCB to review your sandbox application.



Section B: Details Required for the Sandbox Application

1. Please provide full details of your organisation, covering the following areas –

No.	Requirements	Supporting Information and/or Attachments
i.	Profile of the organisation, including the organisation structure, past achievements and business profile with Registrar of Companies and Business Names (ROCBN) and/or other regulatory bodies of business entities.	
ii.	Name(s) of directors (please include copies of identification for each director).	
iii.	Name(s) of shareholders including information on each shareholders shareholding interest in the organisation (please include copies of identification for each shareholder).	
iv.	Total number of staff in Brunei Darussalam and total number of compliance personnel.	
v.	Profile of key personnel, including relevant domain knowledge and experience.	
vi.	Financial standing, including any funding raised and/or to be raised.	
vii.	Source of funding (if any) including the amount of capital in place for the organisation.	
viii.	Name of investor(s), proposed joint ventures, etc. (if any).	
ix.	Authorised regulatory status (e.g. licensing, registration, notification, approval, recognition) under BDCB and/or other regulators.	

2. Please provide accurate and complete information covering the following –

<p>Have you at any time been convicted of any felony or crime by any court of competent jurisdiction, including civil or military (excluding traffic offence) that relates to your honesty and/or integrity unless you subsequently have been restored to good standing?</p>	<p style="text-align: right;"><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If yes, please give full particulars of the court by which you were convicted, the offence and the penalty imposed and the date of conviction as well as evidence of having been restored to good standing.</p>
<p>Have you been licensed, registered or approved under any law in any jurisdiction which requires licensing, registration or approval in relation to any regulated activity?</p>	<p style="text-align: right;"><input type="checkbox"/> Yes <input type="checkbox"/> No</p>



	<p>If yes, please list all applications showing whether they have been successful or unsuccessful.</p>
<p>Have you ever been refused the right or restricted in your right to carry on any trade, business or profession for which a specific licence, registration or other authorisation is required by law in any jurisdiction?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If yes, please give full particulars of the action taken, where and when it took place and the identity of the party having taken this action.</p>
<p>Have you contravened any financial services legislation or been the subject of any disciplinary proceedings, investigations and/or fines by a governmental, professional or other regulatory body or association?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If yes, please give full particulars of the action taken, where and when it took place and identity of the party having taken this action.</p>
<p>Have you been the subject of any adverse finding in a civil action by any court of competent jurisdiction, relating to fraud?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If yes, please give full particulars of the court by which you were convicted, the offence and the penalty imposed and the date of conviction.</p>
<p>Have you been the subject of any adverse finding in a civil action by any court of competent jurisdiction, relating to misfeasance or other misconduct in connection with the formation or management of a corporation or partnership?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If yes, please give full particulars of the court by which you were convicted, the offence and the penalty imposed and the date of conviction.</p>
<p>Has any body corporate, partnership or unincorporated institution to which you have been associated with as a director, controller, manager or company secretary contravened any financial services legislation or been the subject of any disciplinary proceedings, investigations and/or fines by a governmental, professional or other regulatory body or association?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If yes, please give full particulars of the action taken, where and when it took place and identity of the party having taken this action.</p>



<p>Have you been a director, partner, substantial shareholder or concerned in the management of a business that has gone into insolvency, liquidation or administration during the period when, or within a period of one year after, you were a director, partner, substantial shareholder or concerned in the management of the business, whether in Brunei Darussalam or elsewhere?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If yes, please give full particulars of the business, position, where and when it took place.</p>
<p>Have you been disqualified from acting as a director or disqualified from acting in any managerial capacity, whether in Brunei Darussalam or elsewhere?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If yes, please give full particulars of the action taken, where and when it took place.</p>
<p>Have you been adjudged bankrupt by a court?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If yes, please give full particulars of the action taken, where and when it took place and provide evidence that you have met your obligations in the last 10 years and have achieved economic accomplishments.</p>
<p>Have you been or are you unable to fulfill any of your financial obligations, whether in Brunei Darussalam or elsewhere?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If yes, please give full particulars of the action taken, where and when it took place and provide evidence that you have met your obligations in the last 10 years and have achieved economic accomplishments.</p>
<p>Have you been or are you subject to any judgment debt which is unsatisfied, either in whole or in part, whether in Brunei Darussalam or elsewhere?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If yes, please give full particulars of the action taken, where and when it took place.</p>

3. Please provide full details of the proposed financial service/product to be experimented in the sandbox, covering the following areas –

No.	Requirements	Supporting Information and/or Attachments
i.	Please provide full details of the proposed financial problem statements that the proposed financial service/product aims to address.	



ii.	Benefits of the proposed financial service/product, in particular, those that may not exist today.	
iii.	Business model(s), including the target customers and specific use cases. For each use case, provide an <u>end-to-end</u> illustration on how the proposed financial service/product will be made available, including – a. The interactions and money flows between you, your target customers and your business partners (if any); b. The entity that will be holding your customers' monies; and c. The remuneration structure.	
iv.	Technical architecture and solution, detailing the specific technology and innovative ways in which the technology will be applied.	
v.	Comparison with existing offerings (including in Brunei Darussalam) that are similar to the proposed financial service/product, focusing on the problem statements, benefits, technology and business model.	
vi.	The readiness of the prototype development, including an estimated timeframe on the readiness to provide an end-to-end demonstration of the proposed financial service/product to BDCB.	

4. Please provide full details of the applicable legal/regulatory requirements and the relaxation that you are seeking in order to deliver the proposed financial service/product in the sandbox –

No.	Requirements	Supporting Information and/or Attachments
i.	State all the regulatory status (e.g. licensing, registration, notification, approval, recognition) required.	
ii.	Include a legal opinion, if available, from a qualified legal practitioner applying the relevant laws administered by BDCB to the facts of your case.	
iii.	State the specific legal and regulatory requirements that you are seeking BDCB to relax for the duration of the sandbox, and why so.	
iv.	Describe how you intend to meet the full legal and regulatory requirements before exiting the sandbox.	



5. Please provide full details of the proposed sandbox design, covering the following areas:

No.	Requirements	Supporting Information and/or Attachments
i.	Describe the experiments to be conducted in the sandbox, including specific testing of the application of technology in the proposed financial service/product.	
ii.	For each experiment described in 5(i), provide the indicator(s) and corresponding value(s) that would be used to monitor and assess the progress of the experiment.	
iii.	State and justify the sandbox boundaries, including – a. Period of the sandbox (in months); b. Limit on the type (e.g. retail, accredited) of customers involved; c. Limit on the number of customers involved; d. Other quantifiable limits such as transaction thresholds or cash holding limits; and e. Quantification of the maximum loss and impact, including any potential knock-on effects.	
iv.	Based on 5(iii), describe the controls to be put in place so as to manage risk and failure in the sandbox, including – a. money laundering & terrorism financing; b. consumer/investor protection; c. business risks; and d. technology risks.	
v.	Describe the exit and transition plan for customers in the sandbox as well as the resolution plans and how the business would be run off, in the event that the proposed financial service/product has to be discontinued.	

6. Please provide full details on how the regulatory sandbox criteria below will be fulfilled –

No.	Requirements	Supporting Information and/or Attachments
i.	The proposed financial service is innovative (e.g. is new or emerging technology or uses existing technology in an innovative way) and there are few or no comparable offerings in Brunei Darussalam, with clear potential to –	



	<p>a. Improve accessibility, efficiency, security and quality in the provision of financial services;</p> <p>b. Enhance the efficiency and effectiveness of risk management; and/or</p> <p>c. Lead to a better deal for consumer directly or indirectly.</p>	
ii.	The applicant has the intention as well as the ability to deploy the proposed financial service on a broader scale after exiting the regulatory sandbox.	
iii.	Clear test scenarios and expected outcomes.	
iv.	Clear and appropriate parameters or boundaries of the regulatory sandbox for the protection of consumers as well as the safety and soundness of the financial industry.	
v.	Identification, assessment and mitigation of the risks arising from the experimentation of the proposed financial service.	
vi.	A clear and suitable exit and transition strategy in the event that the proposed financial service has to be discontinued or if it proceeds for deployment on a broader scale.	



Section C: Technology Risk Management Questionnaire for FinTech Regulatory Sandbox Application

This questionnaire provides only a baseline level of controls and your company should assess your risk and control adequacy commensurate with the size, nature and types of your products and services as well as the complexity of your IT operation.

1. IT Governance

Does your company have IT personnel?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Does the IT personnel report to a senior management?	<input type="checkbox"/> If yes, to whom? <input type="checkbox"/> No

2. IT Standard, Policies and Awareness

Does your company have IT and/or cybersecurity strategy?	<input type="checkbox"/> Yes, both <input type="checkbox"/> Yes, IT strategy only <input type="checkbox"/> Yes, cybersecurity strategy only <input type="checkbox"/> No
What international standard, framework or best practices that your company follow?	

3. Third Party Vendor / Service Provider

List down all vendors and service providers that your company engaged with	What is the service provided to your company?	Do they have presence in Brunei Darussalam or provide local support?
1.		<input type="checkbox"/> Yes <input type="checkbox"/> No
2.		<input type="checkbox"/> Yes <input type="checkbox"/> No
3.		<input type="checkbox"/> Yes <input type="checkbox"/> No
4.		<input type="checkbox"/> Yes <input type="checkbox"/> No



5.		<input type="checkbox"/> Yes <input type="checkbox"/> No
6. (Please add more row for additional engagement)		

List down all cloud services that your company are using and briefly state scopes of the service	Do they provide information on where your company data are stored?	How do they use your data? (Please review their Terms of Use and Privacy Policy)
1.	<input type="checkbox"/> Yes <input type="checkbox"/> No If yes, please state:	<input type="checkbox"/> Only necessary to run operation and deliver service <input type="checkbox"/> For product and service improvement <input type="checkbox"/> Do not sell to data analytics or advertising company <input type="checkbox"/> Do not share to other third party (e.g. affiliates, social media) <input type="checkbox"/> Not clearly stated
2.	<input type="checkbox"/> Yes <input type="checkbox"/> No If yes, please state:	<input type="checkbox"/> Only necessary to run operation and deliver service <input type="checkbox"/> For product and service improvement <input type="checkbox"/> Do not sell to data analytics or advertising company <input type="checkbox"/> Do not share to other third party (e.g. affiliates, social media) <input type="checkbox"/> Not clearly stated
3. (Please add new row for additional cloud service provider)		

Note: Service providers also include Head Office, Regional Office, Parent Company, partner, subsidiary, affiliate and other counterparts.



4. IT Application

<p>Does your system use web browser for access?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please indicate which website domain it is registered with:</p>
<p>Does your system use smartphone application (app) for access?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please indicate which smartphone operating system is supported:</p> <p><input type="checkbox"/> Apple iOS</p> <p><input type="checkbox"/> Google Android</p> <p><input type="checkbox"/> Others:</p>
<p>For iOS and Android, is your smartphone app downloadable on any region of AppStore/Google Play?</p>	<p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No, Brunei Darussalam only</p> <p><input type="checkbox"/> No, within this region (Asia Pacific) only</p> <p><input type="checkbox"/> No, but downloadable if the phone GPS is in Brunei Darussalam</p> <p><input type="checkbox"/> No, but downloadable if connected on Brunei Darussalam's network</p>
<p>Does your smartphone app support older version of operating systems?</p>	<p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>If no, how do you determine which versions were no longer supported?</p>
<p>Does your personnel use desktop application to access the system such as for front-line staff and back-end system?</p>	<p><input type="checkbox"/> Yes, both</p> <p><input type="checkbox"/> Yes, for back-end system only</p> <p><input type="checkbox"/> Yes, for front-line staff only</p> <p><input type="checkbox"/> No, web browser or smartphone app is used instead</p> <p><input type="checkbox"/> No</p>
<p>Does your company ensure system applications are periodically updated for bug fix and security patches?</p>	<p><input type="checkbox"/> Yes, bug fix and compatibility update</p> <p><input type="checkbox"/> Yes, security patches</p> <p><input type="checkbox"/> Yes, application enhancement (e.g. user interface)</p> <p><input type="checkbox"/> No</p> <p><input type="checkbox"/> Others:</p>



What type of database is used for your system?	<input type="checkbox"/> Microsoft SQL Server <input type="checkbox"/> Oracle Database <input type="checkbox"/> MySQL <input type="checkbox"/> Microsoft Access <input type="checkbox"/> XML <input type="checkbox"/> Others:
Does your company have an official e-mail domain (i.e. @yourcompanyname.com) for all personnel?	<input type="checkbox"/> Yes <input type="checkbox"/> No Please indicate domain name:
What e-mail server or service that your company used?	<input type="checkbox"/> In-house <input type="checkbox"/> Third-party service Please indicate service provider:

5. IT Incident

Does your company have IT incident response and handling procedure?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Does this procedure include cybersecurity incident?	<input type="checkbox"/> Yes <input type="checkbox"/> No, but we have procedure for cybersecurity incident <input type="checkbox"/> No
Does your company have a Business Continuity Plan to ensure continuity of business during major IT incident?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Does your company have disaster recovery site for your system in case there are prolonged disaster on your primary site?	<input type="checkbox"/> Yes <input type="checkbox"/> No If yes, please state where:

6. Risk Assessment

Does your company have an employee to perform risk assessment?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Does your company perform annual risk assessment on the system?	<input type="checkbox"/> Yes <input type="checkbox"/> No

7. Exit Strategy



Does your company have an exit strategy?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Does the exit strategy include safely removing and purging all information?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Does your company have the capability to safely remove and purge all information?	<input type="checkbox"/> Yes <input type="checkbox"/> No



Section D: Financial Consumer Protection Checklist for FinTech Regulatory Sandbox Application

This checklist is used to assess whether measures have been put in place to ensure the best interest and protection of its customers. Among the measures that should be implemented include ensuring transparency and disclosure, providing an avenue for queries and complaints, and raising consumer awareness.

Companies applying to the FinTech Regulatory Sandbox may refer to the following BDCB Notices/Guidelines as a basis for the minimum standards for financial consumer protection –

1. Notice For The Establishment Of A Complaints Handling Function Within Financial Institutions [Notice No. FCIU/N1/2021/1];
2. Notice on Market Conduct [Notice No. FCIU/N2/2021/1];
3. Guidelines On Fit And Proper Criteria For Financial Institutions’ Frontline Staff [Guidelines No. FCI/G1/2018/1];
4. Guidelines to Islamic banks, banks, finance companies, takaful operators, insurance companies on Product Transparency and Disclosure [Guidelines No. FCI/G1/2019/1, Guidelines No. FCI/G2/2019/1, Guidelines No. FCI/G3/2019/1, Guidelines No. FCI/G4/2019/1, Guidelines No. FCI/G5/2019/1, respectively].

All information provided shall be kept confidential and BDCB Financial Consumer Issues may request further information, if needed.

1. Disclosure and Transparency

A.	Are there any interest, fees, charges or penalties in the use of your financial product/service? If so, please indicate where this information is provided in your terms and conditions (T&C).	
B.	At which point of a customer subscribing to your product will the T&C be provided to them?	
C.	How will the customer be able to access and refer back to the T&C? Will a soft copy or hard copy be provided?	



D.	<p>What steps are put in place to ensure that a customer reads and understands the T&C? How much time is provided for the customer to review the T&C? What avenues are available to the customer to ask or receive further information prior to subscribing to your product/service?</p>	
E.	<p>T&C can sometimes be too lengthy and full of jargon that discourages customers from reading them completely. Do you intend to provide a summary of the key points, in particular any risks from subscribing to your product/service, from the T&C, such as a product disclosure sheet or FAQ for the ease of the customer?</p>	
F.	<p>Please list the avenues that a customer is able to obtain further information on your product/service (e.g. website, social media, etc).</p>	
G.	<p>How does your company take into consideration the following –</p> <ol style="list-style-type: none"> 1. Information on your product/service is in a language that is accessible and acceptable to all; 2. The design of your platforms and how information will be displayed (e.g. screen size, font size). 	
H.	<p>What avenues do you intend to advertise/promote your product/service? What measures are in place to ensure that these advertisements/promotional materials are accurate, updated, relevant, and not false/misleading?</p>	



I.	Does your company intend to carry out any initiatives to raise consumer education or awareness on your product/service, as well as any associated risks?	
J.	How will you communicate to customers that you are participants of the Regulatory Sandbox (i.e. and NOT a fully-licensed entity regulated under BDCB)?	
K.	How and when will you communicate to customers your exit and transition plan, in the event that the proposed product/service has to be discontinued?	

2. Customer Service and Complaints/Queries Handling

A.	What avenues are available for customer queries, feedback, and complaints?	
B.	How many staff members will you have responsible for customer service and/or complaints/queries handling? What steps will be taken to ensure that staff members are able to handle customers effectively and professionally (e.g. training)?	



C.	<p>What standard operating procedures are in place to ensure queries/complaints are handled timely and effectively? Is there a timeline in place for queries/complaints to be resolved? How will you ensure queries/complaints are recorded and monitored effectively?</p>	
D.	<p>How will you inform customers and raise awareness on the available channels for queries, feedback and complaints?</p>	



Section E: Anti-Money Laundering and Combatting the Financing of Terrorism (AML/CFT) Questionnaire for FinTech Regulatory Sandbox Application

This section is a preliminary assessment on your company's **Anti-Money Laundering and Combatting the Financing of Terrorism (AML/CFT)** measures provisioned under the Criminal Asset Recovery Order, 2012, and any relevant AML/CFT legislation.

Please provide in detail the following requested information and attach supporting documentation where applicable. All information provided in this section shall be kept confidential and may be used for more detailed assessments.

1. Money Laundering and Terrorism Financing (ML/TF) Risk Management
 - 1.1. Risk Assessment: Provide a comprehensive money laundering and terrorism financing (ML/TF) risk assessment associated with the solution(s) and/or product(s) to be tested in the regulatory sandbox. Risks identified should be related to types of customers, solution(s) and/or product(s) offered, technology being used, transactional behaviours and patterns, and geographical location(s).
 - 1.2. Risk Mitigation
 - 1.2.1. Provide a clear and detailed plan on how the risks identified will be addressed, including controls and safeguards that will be put into place during the sandbox period.
 - 1.2.2. Describe the process of Enhanced Due Diligence and dealing with potential higher risk customers, e.g. Politically Exposed Persons or those from high-risk jurisdictions.
2. Know Your Customer and Customer Due Diligence (KYC/CDD)
 - 2.1. Customer Onboarding: Describe processes in place for obtaining and verifying customer information during the onboarding stage. This should include how identities of natural persons and beneficial owners of legal entities are verified, with the types of documents and data used.
 - 2.2. Ongoing CDD: Describe processes to allow ongoing monitoring and review of customer information to ensure it remains accurate and up-to-date.
 - 2.3. Electronic KYC (E-KYC): If the applicant intends to use E-KYC, please refer to and comply with the Notice on Measures for Non-Face-to-Face Customer Onboarding and Ongoing Customer Due Diligence (Notice No. FIU/N-1/2022/1).
3. Transaction Monitoring and Reporting of Suspicious Transactions
 - 3.1. Transaction Monitoring: Describe the system and process used for monitoring of transactions, including information on whether the process is automated or conducted manually, and on the thresholds, scenarios and/or parameters used to generate alerts for further review.
 - 3.2. Suspicious Transaction Reporting: Explain in detail the procedures in place for detection and investigation of unusual and suspicious transactions. This would include the steps starting from initial detection, the analysis by relevant personnel to determine grounds for suspicion, and the



escalation for review and submission of a Suspicious Transaction Report (STR) to the Financial Intelligence Unit, BDCB.

4. Governance and Oversight

- 4.1. Board and/or Management Oversight: Provide details on how the Board and/or Management are kept updated on AML/CFT matters, including the frequency of such updates and the mechanism used for reporting. The applicant should also provide information on the organisational structure of the company.
- 4.2. Policies and Procedures: List down and provide copies of all policies and procedures documenting the AML/CFT measures implemented by the applicant.
- 4.3. Compliance Function: Provide the full name, copy of identification, background on education and employment, and job description of the compliance officer that is appointed to oversee **implementation of the applicant's AML/CFT programme.**
- 4.4. Training and awareness: Explain the plan for providing AML/CFT awareness to all staff.
- 4.5. Recordkeeping: Information to support compliance to recordkeeping requirements as stipulated under CARO.



Section F: Declaration

This application is completed by –

Name of Officer	
Position	
Contact No.	
E-mail address	
Signature	
Date	

I hereby declare that all information provided in this application and its annexures is true and correct. I certify that the information given in this application is complete and accurate to the best of my knowledge, information and belief and that there are no other facts relevant to this application of which BDCB should be aware. I further undertake to inform BDCB of any changes material to the application which may arise while BDCB is considering the application.

[Signature of Chief Executive Officer/
Managing Director/Head of Organisation]

Date