

**ANNEX TO GUIDELINES N°002/CMA\_G/2023 OF 27/04/2023 GOVERNING THE FINTECH REGULATORY SANDBOX FOR CAPITAL MARKETS IN RWANDA**

**FINTECH REGULATORY SANDBOX APPLICATION FORM**

Thank you for your interest in the Capital Market Authority’s Fintech Regulatory Sandbox. The Regulatory Sandbox is meant to allow for testing of Fintech innovations that have the potential to contribute in the development of Rwandan Capital Markets.

The application form contains the necessary supporting information of the application to participate in the Regulatory Sandbox. The completed application form, along with all required supporting documentation, must be submitted to the CMA through [fintech@cma.rw](mailto:fintech@cma.rw). If the CMA has questions or require additional information, the CMA will contact you. The completeness and clarity of the information provided in the application will determine the time taken for the CMA to review your sandbox application.

The form must be filled by any senior official and approved by the CEO. They must declare and confirm the accuracy of information in the application form and all the attachments.

If you need any clarification before submitting your application, or during the application and review process, you may write to [fintech@cma.rw](mailto:fintech@cma.rw).

**1. General Information**

1.1. Provide full details of your organization, covering the following areas:

a. Fill the table

Name of the firm (Applicant)	
Business address	
Website URL if available	
Country of incorporation	
Principle place of business	
Contact person	
Designation	
Email address	
Telephone number	
Signature	
Date	

*Attach certified copies of all incorporation documents*

b. Names and profile of owners or shareholders and founders, directors and key management personnel, including relevant domain (technology, capital markets industry, financial sector industry, Fintech, etc.) knowledge and experience:

i. Names and profile of owners (or shareholders) and founders:

- ii. Names and profile of members of the board of directors (if applicable);
- iii. Names and profile of key management personnel:

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*Attach their short bio and identification documents (National ID or Passport)*

- c. Profile of the organization specifying whether it's a start up or incumbent including the organization structure, past achievements and business profile.

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- d. Financial standing, including any funding raised or to be raised, that you intend to use among others to test your product or service in the sandbox.

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- e. Capacity in IT, technical support arrangements and any other necessary resources to support the testing of your Fintech innovation in regulatory sandbox.

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- f. Authorized regulatory status, if licensed and supervised under the CMA and /or other financial sector regulators in Rwanda.

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*Attach a copy of license or any other document approved by the regulator*

- g. Authorized regulatory status, if licensed and supervised under financial sector regulators outside Rwanda.

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*Attach a copy of license or any other document approved by the regulator*

- h. If currently operating under any regulatory exemption granted by the CMA or any other regulators in Rwanda or outside Rwanda.

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*Attach a copy of license or any other document approved by the regulator*

- i. Nature and scale of your current operations in Rwanda.

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**2. Details of the proposed Fintech innovation**

2.1. Provide full details of the proposed Fintech innovation to be experimented in the sandbox, covering the following areas:

- a. The area of focus in the capital markets business and the business model of the Fintech innovation. The area of focus may include:
  - i. Capital raising (equity-based crowdfunding, debt-based crowdfunding, fund-based crowdfunding, any other investment instrument-based crowdfunding);
  - ii. Brokerage, trading and settlement of securities, securities lending, etc;
  - iii. Investment advisory, saving and investment management, etc;
  - iv. Structured products and derivatives;
  - v. Commodity exchange;
  - vi. Regulatory and supervision of capital markets (RegTech)
  - vii. Any other business related to securities market, investment management and commodity exchange.

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*Attach a business model or project summary of your fintech innovation.*

- b. Problem statement that the proposed innovative product or service aims to address and how it will accelerate the development of the capital markets in Rwanda.

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- c. Benefits of the proposed Fintech innovation for investors and capital market industry, especially those that may not be existing today.

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- d. Identify the novelty or newness of the proposed product or services that will add significant value to the capital markets in Rwanda.

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- e. Targeted customers or investors (retail, institutional, accredited or sophisticated, etc.) to participate in the regulatory sandbox and strategies to acquire and engage them.

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- f. Any other business partners or institutions you are working with or intend to work with if you are selected to participate in the regulatory sandbox.

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- g. Technical architecture detailing specific technology stack (including but not limited to Artificial Intelligence and Blockchain), their specifications and interactions.

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*Attach a high-level architecture diagram of presentation tier, application and data tiers*

- h. Technical architecture detailing of various components or modules of the innovative product or service and their interaction, and external systems integration including banks, MNOs, etc. where applicable.

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*Attach a simplified process flow diagram*

- i. Details of how IT security requirements for the system protection are applied and integrated within various components of the proposed system.

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- j. Architecture detailing the hosting infrastructure (connectivity, storage, etc.) of Fintech innovation and describe whether in Rwanda or outside Rwanda and whether on premises or in the cloud.

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*Attach a high level and simplified architecture diagram*

- k. Specific uses cases that you intend to test in the regulatory sandbox. Among other details for each use case, provide an end-to-end illustration of the following:

- i. The interactions and /or workflows for each component or module with the users

- (customers, system administrators, executives, business partners if any, etc.);
- ii. The flow of money between you, your target customers, custodian and any other business partners (if any);
- iii. The entity that will be holding your customers' monies;
- iv. Any other details for use cases to be tested.

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*Attach a high level and simplified architectural diagram*

- 1. The current stage or readiness of the prototype development. Demonstrate if your Fintech innovation is sufficiently viable and mature to be tested in live environment and if it is not sufficiently developed to offer to customers, identify an estimated timeframe on the readiness to provide an end-to-end demonstration or live testing.

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- m. Why your product or service would benefit from participation in the regulatory sandbox

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2.2. Provide details regarding regulatory requirements to be waived and investor protection covering:

- a. Full details of the specific legal and regulatory requirements that you are seeking the CMA to relax for the duration of the testing of your product or service in the sandbox, and why.

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- b. Details of your perspectives about your product or service if it can raise new or complex regulatory concerns.

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- c. Investor protection, market stability and any other risks associated with your product or service and how you intend to address those risks.

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2.3. Provide full details of the testing program covering the following areas:

- a. Describe the experiments to be conducted in the sandbox, test objectives with regulatory questions or hypotheses, testing methodologies, test scenarios and intended outcomes.

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- b. Key Performance Indicators (KPI) or parameters to monitor and assess the progress of the test as well as the success criteria of the test objectives.

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- c. State and justify the control boundaries of the test, including:

- i. Proposed testing period, start and end dates of the test in the sandbox and key milestones.

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- ii. Limit on the type (e.g. retail, institutional, accredited or sophisticated, etc.) of customers involved.

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- iii. Limit on the number of customers involved

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- iv. Limit on the transaction size, frequency and exposure limit

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- v. Quantification of the maximum loss and impact, including any potential indirect effect to the market

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- vi. Any other boundaries

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- d. Customer communication plans about the live-test and templates that include sample risk disclosures to the investors and their acknowledgement on how they understand the risks.

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- e. Describe the controls and safeguards to be put in place so as to manage risk and failure of the test in the sandbox including:

- i. Detailed assessment of significant risks arising from Regulatory Sandbox testing and risk management framework.

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- ii. Controls to ensure IT and cyber resilience to preserve confidentiality, integrity and availability of data and IT systems.

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- iii. Business Continuity Plans and measures to protect interest of investors and other capital market participants if the test fails.

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- iv. Controls to mitigate money laundering and terrorism financing.

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- v. Controls to handle customer enquiries and complaints in a fair and effective manner;

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- vi. Reliance on other test partners such as regulated financial institutions to monitor or mitigate regulatory risks.

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- vii. Any other controls

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- f. Relevant reports to be submitted on the test progress based on agreed schedule during the testing period, and feedback mechanisms.

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2.4. Describe the details of exit plan from the Regulatory Sandbox including:

- a. The business plan to deploy the product or service in the wider market in Rwanda if the sandbox testing is successful.

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- b. The resolution plan and mechanism for compensating investors who may have suffered damage in the event that the test fails and the proposed innovative product or service has to be discontinued.

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I ..... and ..... declare that all information given in this application and in the attached documents are correct.

Dated: this ..... day of ..... year .....

Signed: ..... Signed: .....

Names: ..... Names: .....

Position: ..... Position: .....