

# Technology Law Analysis

November 07, 2019

## RBI GREENLIGHTS ITS FINTECH REGULATORY SANDBOX! - APPLICATION WINDOW BEGINS NOVEMBER 15, 2019

The Reserve Bank of India (RBI), India's central bank, had earlier in August prescribed detailed guidelines and an **operational framework** on a regulatory sandbox to be set up in the fintech space. In a much-awaited move, the RBI **announced** on Monday that applications would be open from November 15 to December 15, 2019 for the first cohort of its regulatory sandbox. The theme for the first cohort is 'Retail Payments'. As an indicative list of categories for inclusion within this theme, the RBI has mentioned "mobile payments including feature-phone-based payment services"; "offline payment solutions" and "contactless payments" as potential categories. While the first two categories are geared towards the enhanced adoption of digital payments across societal strata, the third is intended to enable small ticket payment transactions. Experimentation and testing of new products and services is likely to commence in the first half of 2020, as per media and industry sources.

The RBI has laid down various eligibility criteria for sandbox applicants, including:

- The applicant should be a company incorporated and registered in India or a bank licensed to operate in India. Financial institutions constituted under a statute in India would also be eligible.
- The applicant entity shall have a minimum net worth of INR 25 lakh (approx. USD 35,000) as per its latest audited balance sheet.
- The promoters and directors of the entity should be 'fit and proper' as per the enumerated criteria.

NDA had analysed the draft regulatory sandbox framework in its **hotline** dated May 16, 2019.

— Aaron Kamath & Jaideep Reddy

You can direct your queries or comments to the authors

### DISCLAIMER

The contents of this hotline should not be construed as legal opinion. View detailed disclaimer.

This Hotline provides general information existing at the time of preparation. The Hotline is intended as a news update and Nishith Desai Associates neither assumes nor accepts any responsibility for any loss arising to any person acting or refraining from acting as a result of any material contained in this Hotline. It is recommended that professional advice be taken based on the specific facts and circumstances. This Hotline does not substitute the need to refer to the original pronouncements.

This is not a Spam mail. You have received this mail because you have either requested for it or someone must have suggested your name. Since India has no anti-spamming law, we refer to the US directive, which states that a mail cannot be considered Spam if it contains the sender's contact information, which this mail does. In case this mail doesn't concern you, please unsubscribe from mailing list.

## Research Papers

### Structuring Platform Investments in India For Foreign Investors

March 31, 2025

### India's Oil & Gas Sector— at a Glance?

March 27, 2025

### Artificial Intelligence in Healthcare

March 27, 2025

## Research Articles

### Re-Evaluating Press Note 3 Of 2020: Should India's Land Borders Still Define Foreign Investment Boundaries?

February 04, 2025

### INDIA 2025: The Emerging Powerhouse for Private Equity and M&A Deals

January 15, 2025

### Key changes to Model Concession Agreements in the Road Sector

January 03, 2025

## Audio

### CCI's Deal Value Test

February 22, 2025

### Securities Market Regulator's Continued Quest Against "Unfiltered" Financial Advice

December 18, 2024

### Digital Lending - Part 1 - What's New with NBFC P2Ps

November 19, 2024

## NDA Connect

Connect with us at events, conferences and seminars.

## NDA Hotline

Click here to view Hotline archives.

## Video

Vyapak Desai speaking on the danger of deepfakes | Legally Speaking with Tarun Nangia | NewsX

April 01, 2025

**Vaibhav Parikh, Partner, Nishith  
Desai Associate on Tech, M&A, and  
Ease of Doing Business**

March 19, 2025

**SIAC 2025 Rules: Key changes &  
Implications**

February 18, 2025

---