

FREQUENTLY ASKED QUESTIONS(FAQs) ON THE NATIONAL PAYMENT SYSTEM REGULATORY SANDBOX FRAMEWORK

Q1: What is a Sandbox?

A sandbox means a temporary or limited access to the payment ecosystem to test of innovative financial products, services, without obtaining a license under the NPS ACT 2020.

Principally, a regulatory sandbox allows fintech companies to test their products, services, or solutions in the market under a controlled regulatory environment, within a well-defined space and duration.

Q2: Who can apply to operate a Sandbox?

- (a) Institutions already licensed by BOU under the National Payment System Act,2020.
- (b) Non-licensed local Fintechs or start-ups developing a new Fintech solution with a view to deploying it in Uganda.

Q3:Can International Fintech apply to operate a Sandbox?

Institutions not registered in Uganda cannot apply directly to operate a sandbox however, access to the sandbox can be granted indirectly through a partnership agreement between the international innovator and an institution licensed by BOU. In this case the latter will be the applicant to the Sandbox and will remain responsible for the submission of the application, the testing and any associated risks.

Q4: Does the BOU NPS regulatory Sandbox cover all innovations?

The BOU regulatory sandbox covers only financial services, products, and solutions within the payments space.

Q5: Would the applicant to a Sandbox incur any administrative charges?

Applicants to the regulatory sandbox shall pay a non-refundable fee of Uganda Shillings One Million.

Q6: How long will it take for BOU to provide feedback after submission of the sandbox application?

BOU recognizes that the need for timelines will provide certainty to Fintechs applying to operate a sandbox, especially for start-ups. BOU commits to inform the sandbox applicants on the potential suitability of their financial innovation to be in a sandbox within ten working days of receiving the application that includes a complete set of information necessary for the evaluation.

Q7: How long will it take to complete the evaluation of a Sandbox application?

The evaluation is estimated to take fifty days after an applicant has submitted a complete set of information/ documentation necessary for the evaluation process.

Q8: Is there funding support for eligible Sandbox participant?

Currently BOU does not provide any funding to fintechs.

Q9: Can substantial shareholders including beneficial owners, directors and managers submit certificates of good conduct from their jurisdictions.

Applicants from other jurisdictions can submit the equivalent of Interpol certificate of good conduct and it shouldn't be older than six months.

Q10: Would corporate substantial shareholders, directors etc. be required to fill out a fit and proper form? What would be the alternative?

The fit and proper form is for natural persons. At the time of application, however, applicants are required to submit the corporate shareholding structure of the ultimate beneficial shareholders. BOU will then advise on the persons who should fill the fit and proper form. However, all Directors must fill the form.

Q11: Where should an application be submitted?

Bank of Uganda

Director National Payment Systems Department

Plot 37-45 Kampala Road P.O.Box 7120 Kampala, Uganda

Q12: Where can I seek clarification from regarding Sandbox?

Send email to Fintech office: fintechoffice@bou.or.ug.