

A photograph of two women sitting at a table, engaged in conversation. The woman on the left has long dark hair and is wearing a denim shirt. The woman on the right has curly brown hair and is wearing a red sweater. They are both looking towards each other. A teal banner is overlaid on the bottom left of the image.

Continuing dialogue

InnovationHub and Regulatory Sandbox:
lessons learned after three years

DeNederlandscheBank

EUROSYSTEEM





Summary

The InnovationHub and Regulatory Sandbox celebrate their third anniversary in 2019. De Nederlandsche Bank (DNB) and the Dutch Authority for the Financial Markets (AFM) use this opportunity to share the experiences and insights gained since their establishment. With this publication, we also call on market participants to share their ideas about the continuation and further implementation of the InnovationHub and the Regulatory Sandbox.

Over the past few years it has become clear that there is ample demand for the InnovationHub and Regulatory Sandbox. A total of more than 650 queries from market operators about innovation and supervision were answered: on average about 50 per quarter. More than half of these queries came from start-ups, and consequently many of the questions were about the scope of supervision. A wide variety of innovative concepts were addressed, with a particular emphasis on cryptos and the revised European Payment Services Directive (PSD2). On a few occasions, we created bespoke solutions because the application of current laws, regulations or policies turned out to be unnecessarily restrictive, unclear or disproportionate.

Based on our experience, one general finding is key: dialogue, both with the market and internally, is of the utmost importance when responding to innovation in the financial sector. Initiatives such as the InnovationHub and the Regulatory Sandbox have shown to be good examples of this. With this publication, we aim to share nine important insights – our lessons learned – with the sector.

Building on these lessons learned, we intend to continue our dialogue with the market in the coming years on how the InnovationHub and Regulatory Sandbox can be further improved. To this end, we propose a number of next steps aimed at providing information, expanding the Regulatory Sandbox, launching an Innovation Forum (iForum) and strengthening the internal dialogue about innovation. At the same time, through this publication we call on market participants to share their experiences and ideas for improvement.





The lessons learned, summarised in nine observations:





Introduction

The InnovationHub and Regulatory Sandbox are celebrating their third anniversary in 2019. Through this publication, we want to share the experiences and insights that we have gained during this period. The dialogue with the market has always played a central role during these three years. This is why we also use this publication to call on market participants to share their experiences and ideas for improvement with us.

In recent years, DNB and the AFM have set up a number of initiatives to accommodate innovation, adequately address risks and gain knowledge about technological and other developments in the financial market. This includes two initiatives that both operate alongside the regular supervisory activities: the InnovationHub and the Regulatory Sandbox.

The InnovationHub and Regulatory Sandbox were launched three years ago. Since then, we answered more than 650 queries from market participants about innovation and supervision. In short, reason enough to look back, and to draw lessons from the way in which the InnovationHub and the Regulatory Sandbox have helped both market participants and supervisory authorities to respond to innovation in the financial sector. We also share next steps that we envision to ensure the success of the InnovationHub and the Regulatory Sandbox in the years ahead. Furthermore, we specifically ask market participants to share their experiences and ideas for improvements with us. In that way the dialogue with the market, which forms the basis of the InnovationHub and the Regulatory Sandbox, also contributes to their improvement.

InnovationHub: The AFM-DNB InnovationHub was established in June 2016. It offers easily accessible and informal support to market participants – whether regulated or not – if they have queries about the application of current supervisory rules and policies to their innovative financial products, services and business models. The InnovationHub has also partnered with the Netherlands Authority for Consumers and Markets (ACM) since June 2017, which means that it can also be contacted for questions and indications related to competition law.

Regulatory Sandbox: The Regulatory Sandbox was added to the InnovationHub in December 2016. It offers a solution for parties that face unnecessarily restrictive supervisory rules or policies applicable to their innovative concepts, while they are able to comply with the underlying objective of these rules. Within the Regulatory Sandbox, DNB and/or the AFM help these operators to determine how undue obstacles can be overcome, taking into account the scope for interpretation offered by the legislature. Laws and regulations remain fully applicable.





Background: the value of innovation

Innovation is of paramount importance to the Dutch financial sector. New technologies and services such as mobile banking, peer-to-peer platforms for donations, investments and loans as well as artificial intelligence are changing the financial landscape and promote diversity and competition in the sector. Consumers have more choices than ever before, which means that market participants have to strive to provide the best service at the lowest price. The opportunities for developing more efficient business processes and products are also improving, such as easily accessible robo advice, or blockchain technology that makes administrative systems simpler, more reliable and faster. In this way, innovation can contribute to fair markets and a stable and reliable financial system.

This is why DNB and the AFM aim to accommodate innovation in the financial sector. However, innovation can also lead to risks they must act on. Examples include the fragmentation of value chains, and the increasing complexity associated with understanding certain IT systems and how they sometimes make autonomous choices. This calls for an approach that assists parties with innovation, and at the same time helps DNB and the AFM understand developments in the sector and risks that emerge from them.



Facts and figures: the first three years

Three years of the InnovationHub and Regulatory Sandbox have resulted in a number of facts and figures on the use of these initiatives. For example, we received around 50 queries per quarter, a significant number of queries were submitted by start-ups, and topics such as PSD2 and cryptos turned out to be particularly popular. These facts and figures are described in more detail below.

On average about 50 queries per quarter

Since the InnovationHub and the Regulatory Sandbox were set up, we have received over 650 queries from market participants, interested individuals and even government agencies. As shown in Figure 1, apart from a peak in the 3rd quarter of 2017 and a slight drop in the 1st quarter of 2017, there was steady trend of about 30 queries per quarter directed to DNB. The average for the AFM was about 20 queries per quarter, with a clear peak in the 1st quarter of 2018. This peak in the 1st quarter of 2018, like the peak for DNB in the 3rd quarter of 2017, can be attributed to a strong rise in the number of queries about cryptos. It is also interesting to note that the queries were fairly equally divided between DNB and the AFM: since the establishment of these initiatives until 1 June 2019, DNB received a total of 363 queries and AFM received 297. The ACM received some 11 queries, but only a few were actually related to competition law.

More than half of all the queries were submitted by start-ups

The InnovationHub is not solely intended for new market entrants, but is open to all market participants. This can also be seen from the type of institutions and individuals that approach the InnovationHub. However, it is particularly striking that more than half of all queries, 356 in total, were submitted by start-ups. These are

Figure 1 Queries received per quarter

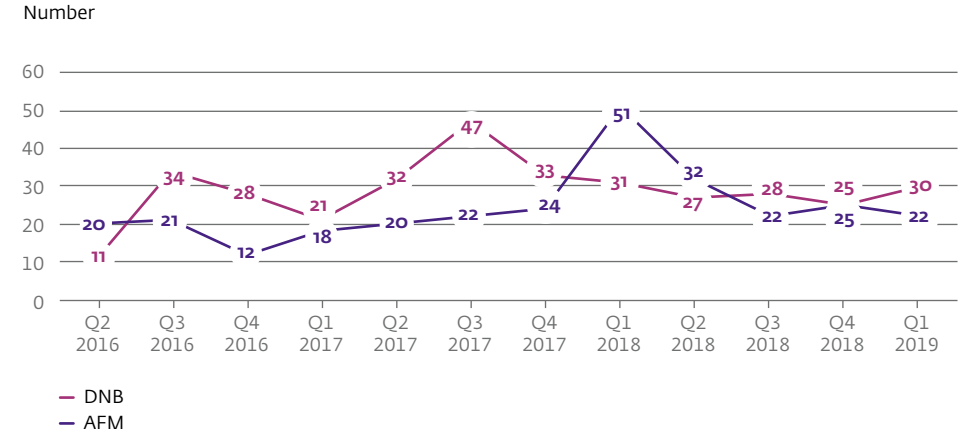
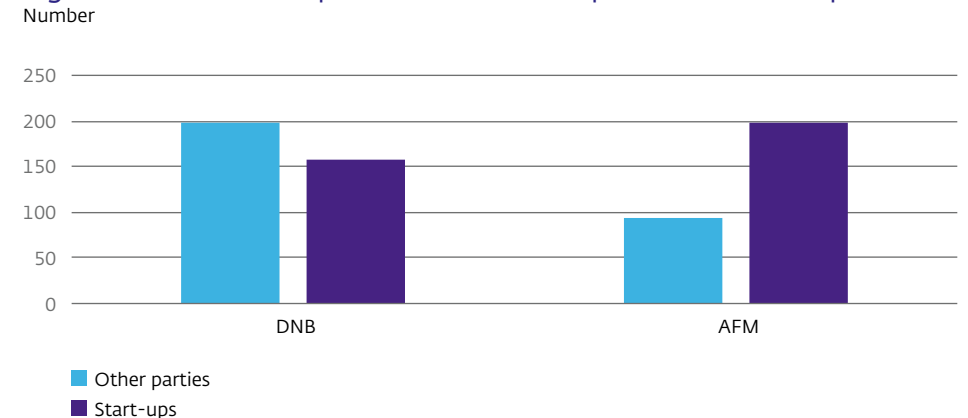


Figure 2 Number of queries from start-ups versus other operators



parties that have not yet, or only just, started their business. Figure 2 shows the split of queries for both the AFM and DNB.

Furthermore, a significant number of queries were submitted by supervised entities. This was an average of 12% of all queries for DNB, in particular submitted by insurers and banks. For the AFM, this was about 7% of all queries. It should be kept in mind, however, that not all innovation-related queries from supervised entities reach us through the InnovationHub. We can also receive these as part of regular discussions with DNB or AFM account managers. As a result, they are not always registered as InnovationHub queries.

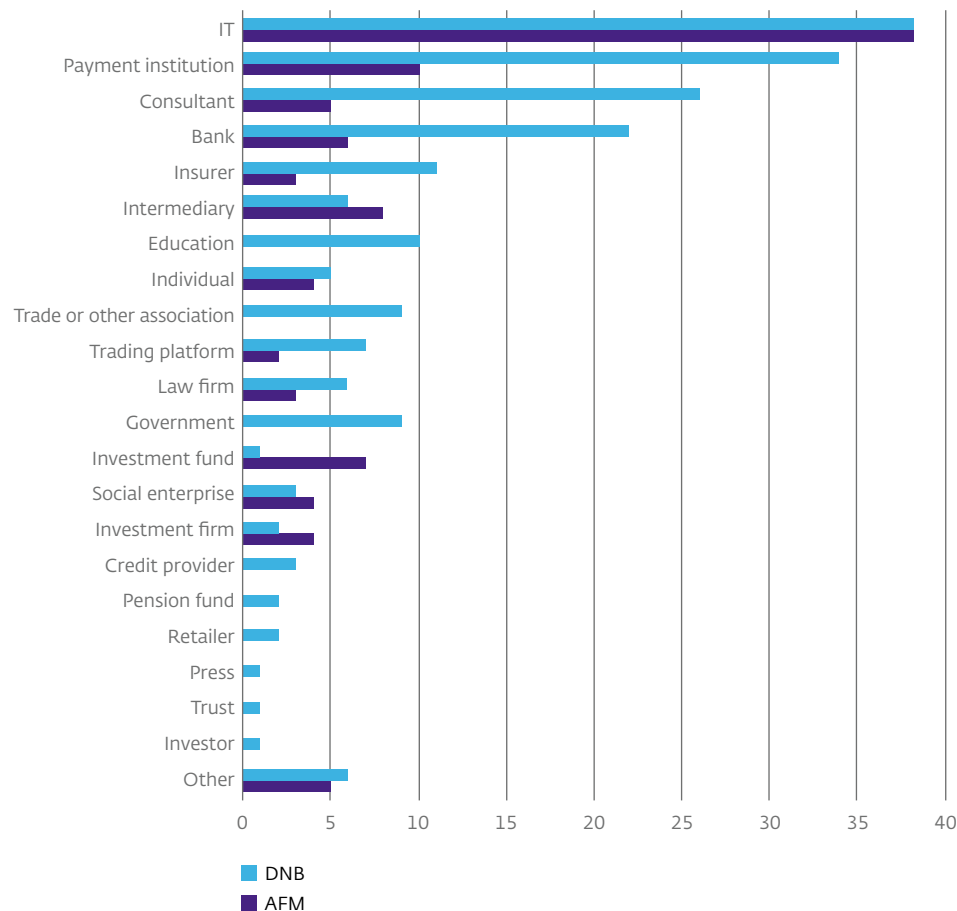
Finally, in addition to the parties subject to supervision, it is interesting to note that law firms, software makers, cloud providers, consultants, governments, educational institutions and individuals also consult the InnovationHub with more general queries. These include queries about the set-up of the InnovationHub and the Regulatory Sandbox, or about DNB's or the AFM's take on a particular technology. Figure 3 shows the number of queries submitted to the InnovationHub since its establishment until 1 June 2019 for each type of incumbent market participant.¹

Many of the queries were about the scope of supervision

On average, 39% of all queries submitted to DNB were about the need to have a licence to offer certain services or provide certain products. As many as 65% of all queries submitted to the AFM concerned the scope of supervision.

Fortunately, in many cases these queries are asked at an early stage. This enables parties to easily adapt their business model in order to ensure that they fall within a certain regime for licensing purposes. Operators are often looking for general information on factors that determine whether or not they need a licence, such as

Figure 3 Queries per type of incumbent market participant
Number



¹ These are operators that are not classified as start-ups.



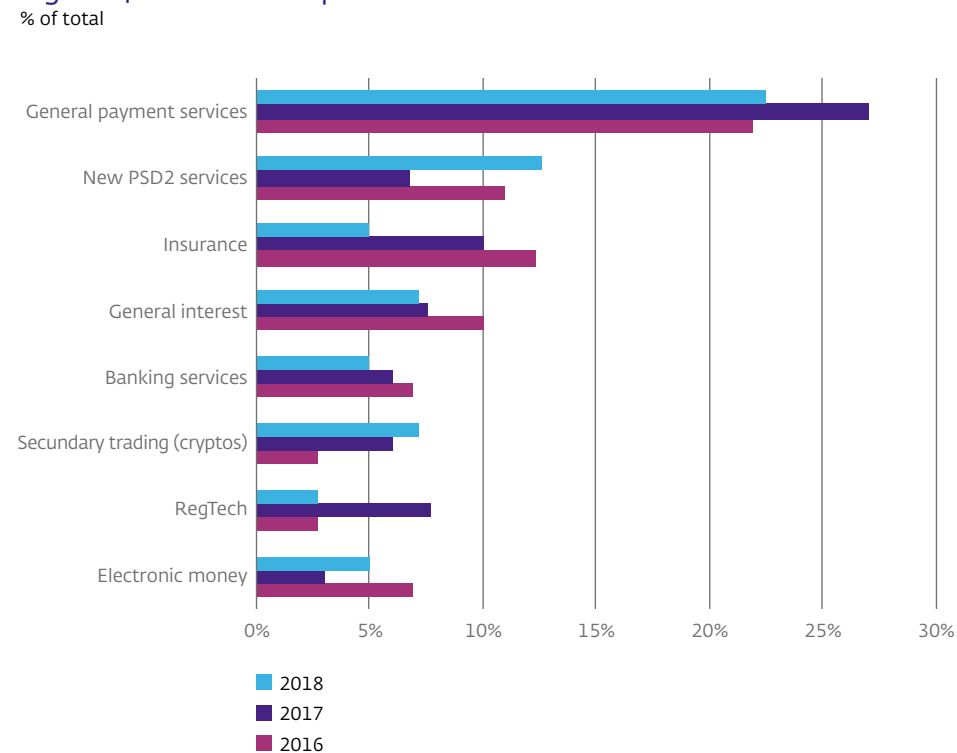
retaining customer funds or acting as intermediary to facilitate the conclusion of a financial contract (product or service). At DNB, these operators were referred to the Expert Centre for Market Access if their business model was already sufficiently specific and they would potentially need either a license, dispensation or exemption. At the AFM, such requests were dealt with by the Business Desk (which deals with all kinds of queries from the market) in collaboration with the Innovation & Fintech team.

Popular topics were cryptos and PSD2

Over the past three years, DNB and the AFM have encountered a wide range of topics to which the queries related. It is interesting to note that a number of the queries related to innovative services, such as digitised advice and crypto trading, while others focused on the use of a new technology to improve existing services, such as applying blockchain technology to improve business processes.

For DNB, many queries were about payment services (a total of 125 queries). This includes general queries, and more specific queries about the new payment initiation and account information services under PSD2. Other queries concerned alternative forms of insurance, the provision of deposit or other bank accounts with added functionality, the use of technology for compliance purposes (RegTech) and crypto trading. Figure 4 gives an overview of the eight most common query topics for DNB until the end of 2018. The AFM also received

Figure 4 Common topics DNB

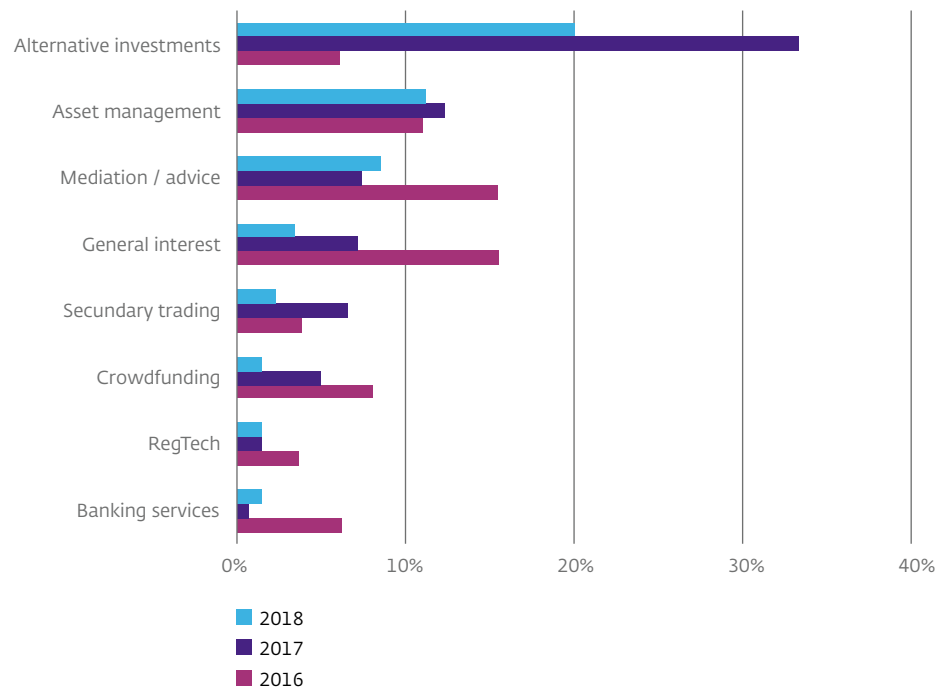


PSD2: The revised Payment Services Directive (PSD2) is the new European legislation for consumer and business payments. PSD2 allows third parties to gain access to the payment accounts of consumers and businesses. Third parties include entities that make payments between the consumer and a web shop (payment initiation services) as well as entities that can provide personalised overviews of payment accounts (account information services).



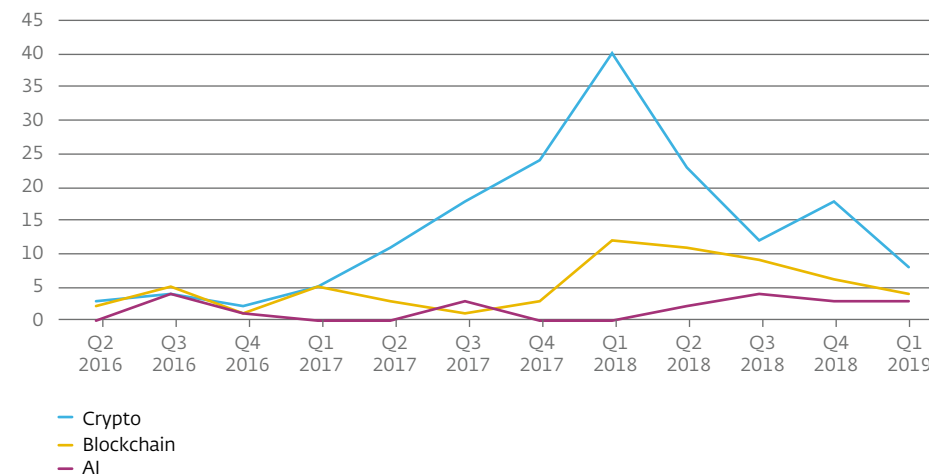
many queries about cryptos. Other queries put to the AFM concerned the scope of the definition of intermediary, the use of data for digital marketing and the corresponding duty of care as well as the use of blockchain for administration purposes and the trading of financial instruments.² Relatively few questions were asked about pension scheme innovations.

Figure 5 Common topics AFM
% of total



Some operators specifically referred to the use of a certain technology for the proposed services, such as payment services using cryptos or new forms of insurance using blockchain technology. Figure 6 gives an overview of the queries that specifically concerned cryptos, blockchain and artificial intelligence (AI). The chart clearly shows a peak in the number of crypto-related queries at the end of 2017 and the beginning of 2018. The number of queries about AI also increased slightly during 2018.

Figure 6 Queries to AFM and DNB about cryptos, blockchain and AI
Number



² Crowdfunding is a topic dealt with by a separate AFM team, which is why most queries on crowdfunding are received by this specialist team. Nevertheless, a number of queries were submitted to the InnovationHub. These are shown in Figure 5.



Bespoke solutions were needed for some parties

With the Regulatory Sandbox, DNB and the AFM take another look at the spirit of the law to assess whether the application of prevailing legislation or policies is unnecessarily restrictive, unclear or disproportionate. If this is the case, we will expand or amend current supervisory policies where possible. During the past years, several dozens of operators explicitly indicated in their requests that they were interested in the Regulatory Sandbox.

In some cases it was actually necessary to provide a bespoke solution. However, only a few cases required a change in legislation. This was for example the case with various forms of services linked to cryptos (e.g. the definition of a financial instrument and secondary trading of financial instruments). It resulted, among other things, in a [joint advisory report](#) by the AFM and DNB to the Minister of Finance on the regulation of cryptos.

In the other cases, it was not a substantial change in the regulatory framework that was needed, but rather a fresh interpretation of existing regulations or policies to remove ambiguities that would otherwise be unnecessarily restrictive. To this end, we prepared a [Q&A document](#) (available in Dutch) to clarify when operators are regarded as payment service providers if they temporarily accept customer credits, as is the case with crowdfunding. In addition, the AFM has published its [View on robo advice](#) and [Guidance on the duty of care in automated and semi-automated portfolio management](#).

Finally, there were also queries for which a tailor-made solution was not needed or impossible, either because the regulations did not constitute an unnecessary restriction or because parties incorrectly expected to be able to experiment free of regulation. On occasion, parties requested participation in the Regulatory Sandbox to give the impression that supervisory authorities approve the product or service. However, this is something that does not fit within the aims of the Regulatory Sandbox.

Regulatory Sandbox example DNB – crowdfunding: DNB received 11 queries about crowdfunding through the InnovationHub. As part of their service, a number of these initiatives made it possible to temporarily store funds at the company in question. When a crowdfunding platform also executes payment transactions for customers, that combination could result in the platform operating as a payment service provider. This would lead to a licensing requirement and disproportionately high costs. To offer a bespoke solution for this situation, we have drawn up a [Q&A document](#) (available in Dutch) in which we clarify that a licence is only needed if payments are made as an “independently identifiable activity”. A licence is therefore not required if the payments by the platform are inextricably linked to other activities unrelated to payment services. This is not only relevant for crowdfunding platforms, but also for parties such as civil-law notaries and lawyers.



Lessons learned: the nine most significant observations

In recent years we have gained extensive experience in how the InnovationHub and Regulatory Sandbox help both market participants and supervisory authorities respond to innovation in the sector. One general finding is paramount: ongoing dialogue, both with the market and internally, has a very important role to play. Below we summarise the nine most significant observations as our lessons learned.



1. There is a need for an easily accessible point of contact for innovation

One of our observations is that there is a need among market participants to enter into a dialogue with a supervisory authorities about innovation in general, and that the InnovationHub offers an easily accessible channel to do this. For example, around 7% of all InnovationHub queries – including those from government agencies, educational institutions and interested individuals – were expressions of interest in the initiatives themselves, or how the supervisory authorities generally view a particular technology or development. We tried to meet this need through numerous phone calls and meetings.

This interest is particularly high among parties that offer innovative IT solutions for compliance (RegTech) and among software developers that offer smart practical solutions, such as software for mortgage advice. They approach us to assess whether their solution meets the requirements set by DNB or the AFM for supervised institutions, such as investment funds or banks, when these supervised institutions make use of their innovative service or product. The queries are therefore not about the rules and policies that apply directly to these IT operators. As supervisory authorities it is not our role to express an opinion on these products or to approve them, and that is not the impression we wish to convey. This is because supervised institutions themselves are responsible for ensuring that they comply with the rules. Nevertheless, we are happy to enter into discussions with these parties. This is because we can be transparent about the things that we, as supervisory authorities, consider to be important and how we interpret the rules. This dialogue also gives us a better understanding of the developments in the market and of the challenges facing for instance banks, insurers and payment institutions.

We expect the need for these talks to increase as interdependence within the financial ecosystem continues to grow. To this end, in addition to the InnovationHub and Regulatory Sandbox, DNB is preparing to launch the Innovation Forum (iForum) at the end of 2019. The AFM is involved in the iForum. It is distinct from the current

initiatives because it will facilitate sector-wide discussions about technological innovation in the financial sector. Examples of topics for these discussions include the impact of artificial intelligence on financial institution and supervision, or the optimisation and digitalisation of existing reporting and supervision processes using modern technology. It is the ambition to share best practices and conduct joint experiments with the sector through the iForum.

2. The InnovationHub, Regulatory Sandbox and regular supervision mutually reinforce each other

DNB and the AFM are committed to exchanging ideas and accommodating innovation where possible. This is true not only of the InnovationHub and the Regulatory Sandbox; it is also an objective of our regular supervision activities. Nonetheless, the InnovationHub and Regulatory Sandbox have a different role to play. Regular supervision is set up to assess compliance with prevailing legislation and regulations. The InnovationHub and Regulatory Sandbox were set up to share ideas informally with market participants, and to investigate how legislation and regulations could be amended to remove constraints insofar as this is possible and needed. This difference in roles may explain why supervised institutions have at times indicated that the willingness in the InnovationHub and Regulatory Sandbox to think along constructively is not something that they experience in their regular contact with account supervisors. We have also noticed that supervised institutions are still occasionally reluctant to start a dialogue through the InnovationHub or the Regulatory Sandbox, or to share their questions about innovation, under the assumption that they will be assessed during the talks.

Although there are distinct differences in the approach taken, we also noticed that the regular supervision activities, the InnovationHub and Regulatory Sandbox reinforce each other. For example, the opportunity to explore an innovative concept in an informal setting helps us gain a better understanding of that concept, and therefore to monitor its further development adequately and proportionately.



After all, technical knowhow is indispensable in this respect. Conversely, signals received by account supervisors, uncertainties in the regulatory framework that they face and risks that they consider relevant are important to have meaningful discussions in the Innovation Hub and Regulatory Sandbox. This is why the AFM and DNB have already put in efforts to involve account supervisors in the work of the InnovationHub and the Regulatory Sandbox, and vice versa. Senior supervisors, for example, are regularly involved in answering queries. There is also close cooperation with those responsible for providing licences so that parties can easily be referred to them, where necessary. In addition, we inform supervised institutions of the option to engage in informal discussions offered by the InnovationHub.

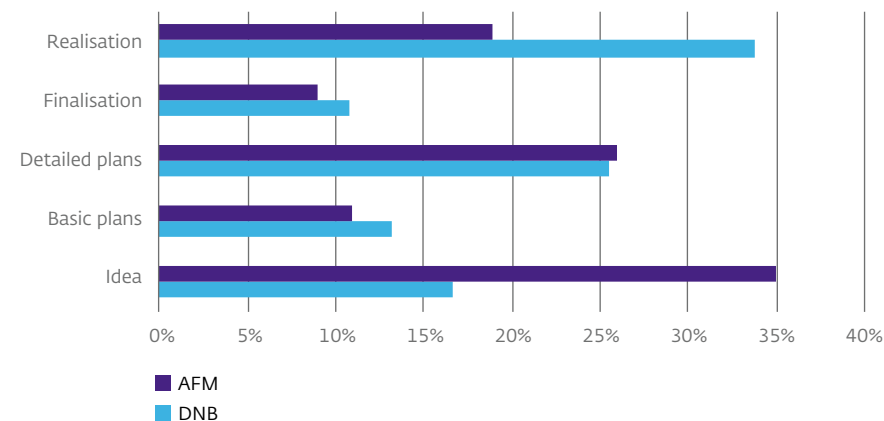
3. The InnovationHub reduces uncertainty about financial supervision

It is interesting to note that in particular early-stage start-ups find their way to the InnovationHub. This is in line with our experience – based on the many conversations we have had – which shows that the InnovationHub mainly plays a role in the orientation phase to somewhat reduce initial uncertainty about the application of laws and regulations. Figure 7, which shows the development phases of the concepts submitted, reflects the use of the InnovationHub in the idea and planning phases.³

An important observation is therefore that the InnovationHub can provide market participants with support because easily accessible information to some extent reduces uncertainty about supervision or the complexity of regulations. The InnovationHub provides an overview of all relevant supervisory regimes. This enables market operators to conduct more targeted research and determine at an early stage which ideas, from a supervisory perspective, are more complex or unfeasible and which ideas can be progressed. The possibility of entering into a direct dialogue

Figure 7 Development phase of InnovationHub concepts

Percentages



with the supervisory authority – in person or by telephone – is therefore in general greatly appreciated. Usually these discussions create a better understanding of the applicable standards, and often show that there is more room for nuance than the wording of laws, regulations or policies might suggest. At the same time, this indicates to us that easily accessible information on financial supervision may still be difficult to find online, despite initiatives such as DNB’s Open Book on Supervision and the subject-specific information on the AFM’s website.

³ These figures are based on the estimates of market operators themselves, insofar as they have been shared with the AFM or DNB (for example, this information was provided to DNB for only 204 out of 363 queries).



4. New legislation or policy is often not necessary

New and revised policies were only necessary for a minority of all queries received. The provision of easily accessible information and specific elaboration on current rules was often enough to assist market participants. After three years, we are also not under the impression that the regulatory framework in the Netherlands unnecessarily inhibits innovation, but rather that a lack of clarity about the application of existing regulations can be a challenge. This occasionally requires a new bespoke policy, but not often.

5. The multitude of laws and regulations is a barrier for market participants

An important observation is that it is not so much specific regulations that form a barrier for incumbents and new entrants, but simply the multitude of laws and regulations. This not only applies to financial regulation, but also, for example, to the regulatory framework supervised by the Dutch Data Protection Authority and the ACM. It should be noted, however, that supervision deliberately creates a hurdle to ensure that only entities that adequately mitigate their risks enter the market. As a result, the existence of a barrier is to a certain extent inevitable. Partnerships have been set up with the Dutch Data Protection Authority and the ACM to assist market participants with queries that concern multiple areas of supervision. However, close cooperation with these supervisors is hampered by legal restrictions, differences in mandates and different supervision approaches.

6. Interpreting rules or policies can be a bespoke solution

It turned out that for a number of innovative concepts, the current supervisory rules and policies do not provide an appropriate response. This could be because – as mentioned earlier – the current interpretation is restrictive. However, much more often it is simply because it is still unclear, even to us, how the rules apply in a new context. This is for example the case with issues regarding digital identity, payment services using cryptos, or alternative forms of insurance. We have therefore noticed that there is not always a clear dividing line between providing information on current regulations and policies (InnovationHub), and shaping new policies for innovative concepts

Regulatory Sandbox example AFM – Robo advice

In recent years, the AFM has received various queries about the digitisation of services such as mortgage and investment advice. The common thread in these queries is essentially that they relate to the application of the duty of care in a digitised environment. The law makes no distinction between robo advice and advice in person, with both forms of advice being subject to the same legal obligations. In that sense the regulations are technology-neutral. In practice, however, the application of the duty of care in the case of advice in person is different to that for digital or semi-digital advice. To this end, experts at the AFM held various discussions with market participants on how to ensure compliance with the duty of care in a digital environment. This resulted in the report [View on robo advice opportunities, duty of care and points of attention](#).



(the Regulatory Sandbox). At DNB, for example, policymaking is often conducted in the InnovationHub, although, technically speaking, bespoke solutions are provided in these cases that would ordinarily be offered through the Regulatory Sandbox.

7. At times the market calls for more clarity than can be swiftly provided

In our experience, market participants want rapid clarification when it comes to the interpretation of the regulatory framework. This is the case even if new regulations or policies are called for, e.g. because consideration has never before been given to how legislation should be applied to the innovation in question. However, DNB and the AFM are not always able to meet this need swiftly. There are several reasons for this:

- DNB and the AFM do not operate in a vacuum, and effective policies often require coordination with international institutions and bodies, including the European Central Bank and European supervisory authorities.
- Policies must respond to technologies that develop rapidly. At times this means that policymaking is like trying to hit a moving target. It takes time to assess developments properly, and to ensure that policy is as future-proof and technology-neutral as possible.



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- Drafting new policies in rapid succession can affect the legal certainty of market participants.
 - The use of a particular technology can affect different aspects of supervision at the same time, which means that specialists from various divisions of the organisation have to be brought together. Certainly in times of increased pressure on other dossiers such as Brexit or PSD2, resource shortages may affect policy development.

8. The term “sandbox” is confusing

DNB and the AFM made great efforts to explain what the Regulatory Sandbox is at its launch. From the outset, it was made clear that DNB and the AFM cannot override applicable legislation. Nevertheless, we have noticed that the term “sandbox” still causes confusion. It turns out that for a broad group of interested parties this term creates associations with a free experimental space in which there is little or no regulation. In our experience, market operators are particularly interested in such a free experimental space. They are often looking for a way to test products at an early stage (minimum viable products), or potential interest in a product, without having to comply with all the laws and regulations (both financial regulations as well as civil law or the General Data Protection Regulation). From this we conclude that clear communication is very important to manage expectations, and that the use of the term “sandbox” is not always helpful in this respect.

9. The provision of information is very important

Visibility is essential for the InnovationHub and the Regulatory Sandbox. After all, both initiatives are also intended for parties that have never been involved with financial supervision before. We have noticed that market participants are not always able to find the necessary information online. In contrast, easily accessible and proactive types of information provision work well in terms of getting them involved, for example by attending conferences and meetings. It is therefore clear that simply setting up these initiatives is not enough to serve the target group,

and that the availability of these initiatives must be continually brought to the attention of the market.

In addition to visibility, clear information is also a decisive factor in determining how market operators experience the use of these initiatives. Parties sometimes enter discussions with the wrong expectations, for example under the assumption that the supervisory authority will act as an accelerator that assists them in introducing their product to the market. We are also contacted by parties that have not developed their business model to the extent where a discussion about regulation would be useful. Disappointments resulting from these situations may deter operators from approaching the InnovationHub in the future.

Finally, we have experienced challenges in terms of rapidly communicating the results of the Regulatory Sandbox to the market. Because Regulatory Sandbox solutions frequently serve a specific business model, there is a risk of disclosing confidential information if too much detail is given on the case study underlying the new or revised policy. On the other hand, converting such information into a more general policy statement is very time consuming, and there is a danger that the policy statement will become too general to be of any value.





Next steps

Looking back at three years of the InnovationHub and Regulatory Sandbox, we can conclude that both initiatives play an important role in responding to innovation in the financial sector. This is largely due to the knowledge exchange that takes place through the open interaction with the market.

To ensure that the InnovationHub and Regulatory Sandbox continue to fulfil this important role in the future, it is vital not simply to focus on what we are doing well. After all, dealing with innovation in the financial sector is a process in which we are constantly looking for the right approach and balance. Because these initiatives are aimed at interaction with the market regarding innovation, the process of improving them also requires a conversation with the market. As a starting point for this dialogue, we envisage a number of next steps to move the InnovationHub and the Regulatory Sandbox to their next phase.

Based on these experiences, observations and next steps, we particularly wish to use this publication to invite market operators to share their experiences and ideas for improvements with us. After all, it is this exchange of knowledge that will help us to accommodate innovation in the financial sector and to respond in good time to any risks that may arise.

The next steps:

- **Placing more emphasis on easily accessible, clear and timely information provision.**

The provision of clear information is important to ensure that both initiatives are sufficiently visible and that expectations are managed. This includes timely and accessible information about the rules that may apply to common concepts or technologies, so that market operators can find the answer to their question independently and more quickly. In addition to content, we want to focus on the form of information provision and will continue to promote the initiatives actively.

- **Incorporating policymaking in the Regulatory Sandbox.**

We want to put more emphasis on the fact that the InnovationHub provides information on existing policies, while the Regulatory Sandbox creates or revises policies whenever necessary and possible. This means that the Regulatory Sandbox also deals with situations in which an unnecessary restriction arises from a lack of clarity regarding the interpretation of supervisory rules or policy in a new context. This Regulatory Sandbox process comes in various forms, from a test period to a series of discussions with the relevant market participant.

- **Reinforcing collaboration between the InnovationHub, Regulatory Sandbox, account supervisors and specialists.**

We continuously focus on building up technological knowledge, exchanging knowledge and signals through our internal networks, involving account supervisors in handling queries and fostering a culture in which it is possible to think outside the existing frameworks.



■ **Launching the iForum.**

Using the iForum, DNB wants to conduct a proactive and sector-wide discussion about technological innovation in the financial sector. Through this initiative, it is the ambition to share best practices and conduct joint experiments with the sector. The AFM is involved in the iForum.

■ **Staying connected with international initiatives.**

There is increasing attention for innovation facilitators in Europe and throughout the rest of world. Various innovation hubs and/or sandboxes have been set up, some of which are even of a cross-border nature. We see many opportunities in this regard to create a level playing field, and to learn from the experiences of other supervisory authorities. At the same time, we will always consider whether and how participation in initiatives contributes to accommodating innovation in the sector and improving its supervision.

Share your experiences and ideas, or let us know if you are interested in a conversation about the InnovationHub/Regulatory Sandbox, by contacting us at innovationhub@dnb.nl or innovationhub@afm.nl.