Inter-operable Regulatory Sandbox: IoRS

(Updated as on November 17, 2026)

These FAQs provide a comprehensive overview of the Inter-operable Regulatory Sandbox (IoRS) initiative and address common queries from potential participants:

Q1. What is Regulatory Sandbox?

Regulatory Sandbox usually refers to live testing of new products or services in a controlled/test regulatory environment for which regulators may permit certain regulatory relaxations for the limited purpose of the testing.

Q2. Which regulators/authorities in India have initiatives for regulatory sandbox?

Financial Sector regulators/ authorities in India have established regulatory sandboxes to foster innovation in their respective domains. These include:

- **Reserve Bank of India (RBI)**

  Link: https://fintech.rbi.org.in/FS_Publications?id=1262

- **Securities and Exchange Board of India (SEBI)**

  Link: https://www.sebi.gov.in/legal/circulars/jun-2021/revised-framework-for-regulatory-sandbox_50521.html

- **Insurance Regulatory and Development Authority of India (IRDAI)**

  Link: https://irdai.gov.in/document-detail?documentId=6541188

- **Pension Fund Regulatory and Development Authority (PFRDA)**

  Link: https://www.pfrda.org.in/web/pfrda/d/pfrda-regulatory-sandbox-regulations-2026?p_l_back_url=https%3A%2F%2Fwww.pfrda.org.in%2Fweb%2Fpfrda%2Fsearch%3Fmode%3Ddropdown%26type%3Dcom.liferay.journal.model.JournalArticle%26type%3Dcom.liferay.portal.kernel.model.Layout&p_l_back_url_title=Search

- **International Financial Services Centres Authority (IFSCA)**

  Link: https://ifsca.gov.in/Viewer?Path=Document%2FLegal%2Ffe-framework_27-04-20222704202212284 4.pdf&Title=Framework%20for%20FinTech%20Entity%20in%20the%20International%20Financial%20Services%20Centres%20%28IFSCs%29&Date=27%2F04%2F2022

Q3. What is the genesis of Inter-operable Regulatory Sandbox (IoRS) initiative?

An Inter-Regulatory Technical Group on FinTech (IRTG on FinTech) was constituted under the aegis of the Financial Stability and Development Council-Sub Committee (FSDC-SC). The terms of reference (ToR) of IRTG on FinTech included discussion on issues relating to

hybrid product/ service falling under the regulatory ambit of more than one financial sector regulator for admission in Regulatory Sandbox and framing of Standard Operating Procedure (SOP) for IoRS for hybrid products/services. The group, in addition to the members from Financial Sector Regulators/ Authority (RBI, SEBI, IRDAI, PFRDA and IFSCA), has representation from Department of Economic Affairs (DEA), Ministry of Finance and Ministry of Electronics and Information Technology (MeITY), GoI. In order to facilitate testing of innovative products/services falling within the regulatory ambit of more than one financial sector regulator, a Standard Operating Procedure (SOP) for IoRS has been prepared by the Inter-Regulatory Technical Group on FinTech (IRTG on FinTech). The SOP can be accessed from the link: FinTech

Q4. What is Inter-operable Regulatory Sandbox (IoRS)?

The Inter-operable Regulatory Sandbox (IoRS) provides a common window for innovators to test hybrid financial products/ services falling within the regulatory ambit of more than one financial sector regulator. By eliminating the need to separately engage with different regulators, IoRS simplifies testing processes and fosters innovation in the financial ecosystem.

Q5. How is the IoRS different from individual Regulatory Sandboxes?

The IoRS supports innovation that requires collaboration between multiple regulators while the individual sandboxes of regulators cater to the solutions within the purview of a single regulator. Thus, IoRS is a unified mechanism that bridges the complexities of bespoke regulatory sandbox frameworks of different financial sector regulators and helps in fostering cross-sectoral innovation.

Q6. Which regulators/authority are involved in the IoRS initiative?

The initiative involves collaboration between multiple regulators:

- Reserve Bank of India (RBI) – for banking and payment systems
- Securities and Exchange Board of India (SEBI) – for securities markets
- Insurance Regulatory and Development Authority of India (IRDAI) – for insurance products
- Pension Fund Regulatory and Development Authority (PFRDA) – for pension-related innovations
- International Financial Services Centres Authority (IFSCA) – unified Regulatory authority of Gujarat International Finance Tech-City International Financial Services Centre (GIFT IFSC) for testing in the domain areas as specified in the Annexure I of Framework for FinTech Entity in the International Financial Services Centres.

Q7. Who can participate in the IoRS?

Generally, following entities can participate in the IoRS: Financial institutions, FinTech companies, RegTech providers, Start-ups or other innovators offering products/services relevant to multiple financial sectors.

However, the eligibility criteria will be governed primarily by the RS Framework of the Principal Regulator (Details given under FAQ Question 2)

Q8. What types of products or services can be tested under IoRS?

IoRS allows the testing of financial products or services whose features fall within the remit of more than one financial sector regulator (RBI, SEBI, IRDAI, PFRDA and IFSCA). Some of such innovative solutions include, the areas of RegTech and SupTech, Digital Payment Solutions, Cross-sectoral products for e.g. insurance products linked to banking services InsurTech, WealthTech, Cross-border payment solutions etc.

Q9. What are the benefits of participating in the IoRS?

- Testing of innovative solutions in a controlled, low-risk environment.
- Interaction with multiple regulators through single window to ensure compliance across domains.
- Opportunity to refine products based on feedback from regulators and the sandbox testing.
- Reduced time to market for innovative solutions.

Q10. Who is the Principal Regulator (PR) and Associate Regulator (AR) under IoRS?

The RS framework of the regulator under whose remit the dominant/ majority feature of the product falls, will be the 'Principal Regulator (PR)' under IoRS. The regulator/s under whose remit the other features apart from the dominant feature of the product fall shall be the 'Associate Regulator (AR)' under IoRS.

Q11. How is the dominant feature of a product determined?

The dominant feature is assessed based on two factors:

- The type of enhancement to existing financial products (e.g., loans, deposits, insurance, pension products).
- The number of relaxations sought for the product during the testing process, with greater weightage given to the latter.

The relaxation, if warranted, shall be considered by PR/ AR on case-to-case basis and decision to that effect shall be binding and final.

Q12. What are the eligibility criteria to participate in IoRS?

Based on the dominant features of the product, the eligibility criteria and networth criteria as applicable for the RS of the PR concerned shall be applicable to the applicant entity for participation in the IoRS.

Q13. How can you apply for IoRS?

You can apply by submitting a single application form to the Coordination Group hosted by the FinTech Department, RBI, via email at iors@rbi.org.in. The application form can be accessed via the link:

https://rbidocs.rbi.org.in/rdocs/content/pdfs/IoRS12102022_APP.pdf

Q14. Is there any fee for applying to IoRS?

No, there is no application fee for applying to IoRS. However, for testing under IoRS the sandbox fee, if any, of the PR concerned may be applicable.

Q15. Is there a deadline for submitting applications under IoRS?

No, applications are accepted on an 'On-Tap' basis throughout the year.

Q16. Who will scrutinize the IoRS application, and how will it be processed?

The preliminary scrutiny will be done by FinTech Department of Reserve Bank of India. However, detailed scrutiny will be done by the PR based on its sandbox framework. The PR will also coordinate with ARs to review specific features of your product that fall under their regulatory scope, ensuring a smooth and efficient process.

Q17. Are foreign FinTech entities eligible to participate in IoRS?

Yes, applications from foreign FinTechs seeking entry into India or Indian FinTechs with global ambitions are eligible to participate. For such cases, IFSCA, shall act as the PR.

Q18. Where and how will the product/ solution be tested and evaluated under IoRS?

The product/ solution will be tested as per the sandbox framework of the PR in coordination with the ARs. The PR will also evaluate your product based on its framework, incorporating inputs and appraisals from ARs for specific aspects under their jurisdiction to assess its suitability and viability.

Q19. What is the duration of the IoRS testing phase?

The testing phase duration will be as per the sandbox framework of the PR concerned.

Q20. What should I do after my product has been tested under IoRS?

After successful testing under IoRS, the entity may approach the concerned PR and ARs to obtain necessary authorisations and regulatory approvals before launching its product in the

market. The decisions of the respective regulators will be final and binding. The product being successfully exiting the IoRS shall be published by the regulator concerned vide Press Release for wider adoption.

Q21. Where can you find more information about the IoRS?

The Standard Operating Procedure for IoRS can be accessed at the link:

https://fintech.rbi.org.in/FS_PressRelease?prid=54528&fn=2765

Q22. Whom to reach out in case of any additional queries?

For any inquiries, please email at iors@rbi.org.in

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