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Banking and Finance



## European Sandboxes

March 2022

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Approaching a Single EU FinTech Market  
What's news in....?  
Andersen Europe Corporate Highlights

# Andersen Global

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## Core values

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We aim to be the benchmark for quality in our industry and the standard by which other firms are measured.



### Stewardship

We hire the best and the brightest and we invest in our people to ensure that legacy.



### Transparency

We value open communication, information sharing and inclusive decision making.



### Seamless

Our firm is constructed as a global firm. We share an interest in providing the highest level of client service regardless of location.



### Independence

Our platform allows us to objectively serve as our client's advocate; the only advice and solutions we offer are those that are in the best interest of our client.

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# Presentation



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Andersen's Corporate and M&A practice, through the member and collaborating firms of Andersen Global, has prepared this fifth edition of the European Corporate Insights' magazine which we hope will be of interest.

In this piece, focused on the Banking and Finance Industry, we address as principal topic "SANDBOX in Europe". The FinTech ecosystem has recently introduced new players and innovative business models (applying new technologies) which involves new and different challenges for the financial system.

Assessing such business models requires a deep understanding by the EU Regulators of the technologies used to deliver innovative services or products. Therefore, a significant number of jurisdictions in Europe have already introduced various types of innovation facilitators, such as the regulatory sandboxes, to test innovative products, services or business models.

This publication has an overview of these regulatory sandboxes in different European countries in order to help fintech companies to understand the different status and regulation of these measures in Europe. Each of the countries has its own report, summarizing the different regulations specific to each jurisdiction, and guidelines on how to apply as well as requirements.

The Magazine also covers one piece of opinion that on this occasion is "Approaching a Single EU FinTech Market."

Likewise, we are happy to share with you our highlight reels where you will find the latest of our activities, credentials, ranking nominations and other news from our Andersen Corporate and M&A environment in Europe.

Our European Corporate and M&A Practice is composed of 34 different jurisdictions where we have skilled and experienced teams of lawyers and tax experts with a proven track record in delivering best-in-class and seamless service in different jurisdictions, under our one firm principle, in all matters related to Corporate and M&A, including but not limited to:

- Corporate Commercial;
- Start-ups, Venture Capital, Private Equity;
- Private Debt;
- Mergers and Acquisitions;
- Corporate Governance and Compliance;

We are confident that the European Corporate Insights, will help Multinational Companies to get an overview of different hot topics that normally generate questions when operating in different European countries.

In case you are interested in receiving more detailed information, please contact one of the members of Andersen's Corporate and M&A Practice who will be glad to give further advice.



**Ignacio Aparicio**  
*European Corporate and M&A  
Coordinator*



## II · What's news" in...

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## ITALY

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Over the last two years the covid 19 pandemic has had a negative influence on numerous industries. Despite the substantial impact, the hospitality sector saw a solid economic resurgence in 2021, albeit we will have to wait until 2022/23 to prove this recovery. This is undoubtedly due to the presence of foreign investors who have taken advantage of the opportunity to invest in the sector, but the government also played a key role with its supportive policies, focusing on the modernisation and upgrading of facilities, and thus on their attractiveness and competitiveness. The regulatory actions implemented by Government can be listed as follow:

- **“Superbonus 80%” and grant for redevelopment:** the 80% represents a fund to cover the costs of renewing the structures, including the planning service.
- **65% renovation bonus:** this bonus is for expenses made for the redevelopment of hotel facilities, and it is similar to the 80 percent bonus.
- **Façade Bonus:** this Bonus entails a 90% tax deduction for measures made in 2020 and 2021 to recover or restore external building facades.
- **Fundings for tourism sector:** this is a guarantee fund for SMEs, a "tourist-specific component," and young persons under 35 who aspire to start a business in the tourism industry.
- **Revolving fund to tourism investments:** this fund can provide direct funding for energy efficiency, environmental sustainability, and digital innovation projects.
- **Revaluation of company assets:** hotel and spa executives can revalue their company's assets and equity interests in the 2019 financial investments for free.

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On November 30th the Italian Parliament has concluded the process of transposition of the EU Directive known as "Quick Fixes" into Italian Laws. The Quick Fixes Directive was issued in 2019 by the EU Parliament as a simplification of the Intra-Community exchanges in goods and services with regard to:

- The simplification and equal VAT treatment of call-off stock operations.
- The regulation of VAT treatment for chain transactions.
- Confirmation that the VAT number is an essential requirement for the non-application of the VAT in Intra-Community exchanges.

By the implementation of the Quick Fixes Directive, Italian Laws have been modified accordingly. In particular, Legislative Decree 331/93 has been modified in order to be compliant to the new EU VAT regulations.

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## NETHERLANDS

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### Budget day 2021; Update

On budget day (September 21st, 2021) the Dutch government released a number of new legislative proposals. On December 21st, 2021 these legislative proposals have been passed by the Dutch senate. It should be noted that after the legislative proposals were released additional measures were incorporated into these proposals regarding

- the limitation on the compensation of holding and financing losses;
- the definition of a permanent establishment for purposes of the Dutch source tax on interest and royalty payments;
- the levy of source tax on interest and royalties paid to hybrid entities; and
- the Dutch earnings stripping rules.
- In the below we will provide you with an outline of the aforementioned amendments.

### Holding and financing losses

Under Dutch tax law a restriction applies to the compensation of so called holding and financing losses. This restriction has been abolished per January 1st, 2019. Therefore, it will not apply to losses incurred after that date. However, based on transitional regulations the restriction will continue to apply to losses that have been incurred before that date. Therefore, the abolished restriction continues to be relevant. Based on this restriction losses generated with holding and financing activities can only be offset against profits



generated with holding and financing activities. Due to the fact that generally holding and financing activities generate only limited profits, this effectively meant that offsetting holding and financing losses is not possible. However, in a recent Supreme Court case the Supreme Court ruled that this restriction can very easily be circumvented by incorporating a new subsidiary, initiating profitable (non-holding and –financing) activities in that subsidiary, and joining that new subsidiary in a consolidated group for tax purposes. Because of the way in which the restriction is phrased, according to the Supreme Court, it does not restrict the extent to which the holding company's holding and financing losses can be offset against the profits generated by the newly incorporated subsidiary (even though the restriction would have applied if the holding company had initiated the new activities by itself).

On budget day the Dutch government announced that it would integrate new rules into the released legislative proposal to ensure that previously incurred holding and financing losses cannot be offset against non-holding and financing profits based on the aforementioned Supreme Court ruling. Based on the adopted amendments the way in which the restriction is phrased has been amended, in order to make sure that it also applies in the situation described in the above.

The amendments entered into force per January 1st, 2022. They will apply in financial years that start on or after January 1st, 2022, so companies with a book year that starts late in the calendar year may still want to consider to make use of their holding and financing losses before the end of their fiscal year.

### **Source tax and permanent establishment**

Per January 1st, 2021 the Dutch Source Tax Act entered into force. Based on this act source tax is due on interest and royalty payments made to related parties resident in blacklisted jurisdictions (low tax jurisdictions, and jurisdictions listed on the EU list of non-cooperative jurisdictions).

Based on that act the Netherlands also levy source tax on interest and royalties that are paid by companies abroad, if such interest or royalty can be allocated to a “permanent establishment” in the Netherlands. For the meaning of the term “permanent establishment” reference is made to

the definition of that term in the Dutch Corporate Income Tax Act. However, that term does not include all possible Dutch sources of income, such as Dutch real estate. In view of this, for purposes of the Dutch Source Tax Act, the definition of a permanent establishment has been extended, so that it also includes other Dutch sources of income that do not, strictly speaking, constitute a permanent establishment. The amended definition of a permanent establishment entered into force per January 1st, 2022.

### **Source tax and hybrid entities**

The Dutch Source Tax Act includes a special provision regarding hybrid entities. This concerns entities that, from a Dutch perspective, are themselves subject to tax, whereas in the country under the laws of which the entity has been incorporated, the entity is not subject to taxation. Although as a general rule source tax is only due on interest and royalties paid to related parties in blacklisted countries, source tax is, in principle, also levied on interest paid to a related hybrid entity (not resident in a blacklisted jurisdiction).

The thought behind this is that it should not be possible to accumulate income tax free in such hybrid entities. However, this is only necessary if the participants in the hybrid entity are also resident in a state that considers the hybrid entity as an entity subject to tax. If the hybrid entity's income is taxed at the level of the participants in their country of residence, then effectively it is not possible to accumulate income tax free in the hybrid entity. In view of this the current rules provide for an exception. This exception applies if all related parties that participate in the interest/royalty paying entity through a hybrid entity are taxed in their state of residence on the income derived through the hybrid entity (unless they are resident in a blacklisted jurisdiction). Strictly speaking this exception would not apply if there is not a single participant that has a sufficient percentage interest in the hybrid entity to be considered a related party.

That is clearly not intended. In view of that the scope of the aforementioned exception has been extended so that it will also include the situation in which no single participant in the hybrid entity has a sufficient percentage interest to be considered a related party. This measure entered into force with retroactive effect per January 1st, 2021 (i.e.,

the date of entry into force of the Dutch Source Tax Act).

### Earnings stripping

One of the new measures that have been included in the legislative proposals released on budget day is a further reduction of the amount of interest that can be deducted under the Dutch earning stripping rules. Under the current rules interest is only deductible up to 30% of a tax payer's EBITDA for tax purposes (or EUR 1 million if that is more). Based on the adopted proposal this percentage will be reduced to 20%.

It should be noted that based on the adopted proposal the EUR 1 million limited is not amended. This minimum of allowed interest deduction was implemented to ensure that small and medium sized businesses would not be faced with the Dutch earning stripping rules. However, this threshold also provides for some interesting planning possibilities. If, for example, financing an investment in Dutch assets with debt results in EUR 3 million of interest due, then in principle applying the EUR 1 million limit would still result in EUR 2 million of non-deductible interest. However, if this investment was done through 3 different companies, each company would incur interest of EUR 1 million, and could therefore apply the EUR 1 million limit. This risk was acknowledged when the Source Tax Act was adopted. However, at the time it was decided to not implement any measures to counteract this. This planning possibility has now been addressed again, but the government has not yet proposed any measures to counteract the planning outlined in the above. It has merely announced that in the period ahead it will see whether it is necessary to implement additional measures. Companies that have set up structures to enable them to make use of the EUR 1 million threshold more than once, should keep a close eye on this.

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### **Amendments to the Portuguese Standard Contractual Clauses Regime**

Decree-Law no. 108/2021, published on last December 7, amends the Decree-Law no. 446/85 of October 25, which foresees the Portuguese Standard Contractual Clauses Regime, in order to introduce balance and proportionality in commercial relations. A new clause has been introduced to the list of relatively prohibited clauses in relations between entrepreneurs or similar entities.

The referred new clause prohibits, depending on the standard negotiating framework, any clauses setting out, in favour of those who predispose them, excessive remuneration fees, or that discriminate on the basis of the counterpart's nationality or place of establishment.

This amendment entered into force on January 1st, 2022.

Furthermore, Decree-Law no. 109-G/2021 was published last December 10th, which partially transposes the Directive (EU) 2019/2161 of the European Parliament and of the Council of 27 November 2019 ("Omnibus Directive"), also amending the Portuguese Standard Contractual Clauses Regime.

The use of clauses deemed as absolutely prohibited under the Portuguese Standard Contractual Clauses Regime is classified as an administrative offence and subject to the application of penalties.

This amendment comes into force on May 28, 2022.

### **New online scheme for the registration of branches of companies with foreign headquarters**

On July 31, 2019, the Directive (EU) No. 2019/1151 of the European Parliament and of the Council of 20 June 2019, amending Directive (EU) 2017/1132 as regards the use of digital tools and processes in company law (hereinafter, the "Digitalization Directive") entered into force. The Digitalization Directive aims to facilitate the formation of companies and the registration of branches and to reduce the costs, time and administrative burdens associated with those

processes, setting out that procedures should be put in place to enable the formation of companies and registration of branches to be completed fully online.

Accordingly, on December 9th, 2021, it was published the Decree-Law no. 109-D/2021 (hereafter, "Decree-Law"), which partially transposes the Digitalization Directive. It is now foreseen that the registration in Portugal of a branch of a company with foreign headquarters may be fully carried out online, without the necessity for the applicants to appear in person before the competent authority.

The Decree-Law also foresees that the Commercial Registry Office must conclude all the steps required for the registration within ten days after the payment of the registration duty has been confirmed. Where it is not possible to conclude the registration within the ten days deadline, the applicant shall be electronically notified of the reasons for the delay.

The Decree-Law also amended several Portuguese laws, in order to adapt them to the Directive (EU) 2019/1151 of the European Parliament and the Council of June 20th, 2019. As regards these amendments, we highlight that from now on the appointment of directors of private limited companies or public limited companies shall contain a statement of acceptance signed by the appointed directors, where they must clearly declare to be unaware of any circumstances which may prevent them from accepting the appointment.

The Decree-Law no.109-D/2021 entered into force on December 10th, 2021.

### **New rules on cross-border marketing and the sustainability of Collective Investment Undertakings**

On the 9th of December, Decree-Law no.109-F/2021 was published, amending the General Framework for Collective Investment Undertakings (hereafter, "RGOIC"), and which transposes the Directive (EU) 2019/1160 of the European Parliament and of the Council of 20 June 2019, as well as the Commission Delegated Directive (EU) 2021/1270 of 21 April 2021.

With a view to achieve a low-carbon, more sustainable, resource-efficient and circular economy as foreseen in the Commission Delegated Directive (EU) 2021/1270 of 21 April 2021, the Decree-Law states that sustainability risks must now be taken into account by management entities of Undertakings of Collective Investment in Transferable Securities (“UCITS”) as part of their duties towards investors, taking into account the nature, scale and complexity of those companies’ activities. As a result, these entities are now subject to a new set of rules regarding the integration of sustainability risks and must have the technical capacity and knowledge necessary to analyse those risks.

The Decree-Law no. 109-F/2021 came into force on December 10, 2021, with the exception of the rules concerning the integration of sustainability risks, which only come into force on August 1, 2022.

### **New legal framework of investment firms**

On the 10th of December, Decree-Law no. 109-H/2021 (hereafter, the “Decree-Law”) was published, approving the regulatory framework for investment firms, and transposing several European Union directives regarding this issue. An investment firm is thereby defined as any legal person, not being a credit institution, whose regular business is the provision of investment services to third parties or the performance of investment activities on a professional basis provided for in the Portuguese Securities Code. The new legal framework of investment firms is set out in annex to the Decree-Law. We highlight the main applicable provisions:

1. As a general rule, investment firms must take the legal form of a public limited company, but they may be private limited companies if they carry out the activity of advice on investment exclusively;
2. The investment firms incorporated under this legal framework must have its main and effective management in Portugal;
3. The minimum initial capital of an investment firm shall be:
  - EUR 750 000, if they carry out activities or provide services of dealing on own account and underwriting of financial instruments and/or placing of financial

instruments on a firm commitment basis, or carrying out cumulatively activities of dealing on own account and of running organised trading systems;

- EUR 75 000, if they provide services of reception and transmission of orders in relation to one or more financial instruments, on behalf of clients, execution of orders, portfolio management of financial instruments, investment advice on financial instruments and placing of financial instruments without a firm commitment basis, and which is not permitted to hold client money or securities belonging to its clients;
  - EUR 150 000, if they provide other services than those referred to in the previous paragraphs;
4. The incorporation of an investment firm is subject to the authorisation of the Portuguese Securities Market Commission (“CMVM”);
  5. A set of requirements for the development of cross-border activities by investment firms registered in Portugal, as well as for investment firms registered in another EU Member State.

The Decree-Law also transposes the Commission Delegated Directive (EU) 2021/1269 of 21 April 2021, amending Delegated Directive (EU) 2017/593 as regards the integration of sustainability risks into the product governance obligations.

The Decree-Law no. 109-H/2021 comes into force on the 1st of February of 2022, with the exception of the rules concerning the integration of sustainability risks, which only come into force on August 1, 2022.

### **Prevention and combat unauthorised financial activity and ensure consumer protection**

Law no. 78/2021 was published on the 24th of November, establishing a set of measures to prevent and combat unauthorised financial activity and ensure consumer protection against the offer of products, goods or the provision financial services by a person or entity not authorised to carry out that activity. Registrars, notaries, solicitors, lawyers, registration officers and chambers of commerce and industry are now subject to a set of new duties, among which we highlight the duty to abstain from performing any





operation or set of operations, present or future, which they know, or suspect, may be associated with the attempt or performance of unauthorised financial activity. Law no. 78/2021 comes into force on the 1st of January of 2022.

### **Duties on the prevention and regularization of client defaults by credit institutions**

On December 20th, the Bank of Portugal has published Regulation no. 7/2021 (hereafter, the "Regulation"), which implements the amendments introduced by Decree-Law no. 70-B/2021, establishing an exceptional and temporary set of protection measures on the regularization of credit agreement default situations in the context of Covid-19.

The Regulation establishes the duties that credit institutions shall comply with in what regards the regularization of credit agreement default situations. Furthermore, it also establishes the criteria for the elaboration and implantation of PARI (Action Plan Against Default Risk) and the application of PERSI (Out-of-court Procedure for the Regularization of Situations of Default).

The Regulation also establishes duties of monitoring banking customers throughout the identification of signs of deterioration of the financial capacity of customers on a monthly basis.

Regulation no. comes into force on the 1st of January of 2022.

### **Whistleblowing**

On 20th December, Law no. 93/2021 was published, partially transposing Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of European Union law. All companies employing 50 or more employees are now obliged to establish internal reporting channels.

The reporting channels shall enable persons to report and submit reports, guaranteeing their integrity and conservation, as well as the identity or anonymity of the whistleblower, and preventing unauthorised access.

The channels shall be managed by professionals specially appointed for this purpose, in order to ensure confidentiality, data protection, privacy and

absence of conflict of interest. Failure to comply with the new legal framework is classified as an administrative offence.

Law no. 93/2021 enters into force on 18th June 2022.

[Read more →](#)

## SWITZERLAND

### **Federal Council brings new legal framework on implementation of international tax agreements into force**

At its meeting on 10 November 2021, the Federal Council brought the Federal Act on the Implementation of International Tax Agreements (ITAIA) and the associated Ordinance into force with effect from 1 January 2022. In this way, the Federal Council is aligning the existing legal framework with developments in international tax law. Previously, national legislation on certain issues regarding the implementation and application of double taxation agreements (DTA) was governed by the Federal Act of 22 June 1951 on the Implementation of International Federal Conventions on the Avoidance of Double Taxation and the ordinances based thereon. The ITAIA supplements the existing legal provisions as necessary, and introduces new areas of regulation. The revision of the law now also stipulates how mutual agreement procedures are to be carried out at national level, provided the applicable agreement does not contain any deviating provisions. Moreover, it contains the key points for withholding tax relief based on international agreements, as well as criminal provisions in connection with relief from withholding taxes on investment income.

### **Transparency concerning extra-financial aspects**

As of 1 January 2022 the companies, with some exceptions, shall submit an annual report on extra-financial aspects if:

- they are public interest companies pursuant to article 2 letter c of the law of 16 December 2005 on auditors (RS221.302),
- together with the companies controlled by them, whether Swiss or foreign, they have at

least 500 full-time jobs on an annual average for two consecutive years; and

- together with the companies controlled by them, whether Swiss or foreign, they exceed one of the following values for two consecutive years:
  - a. balance sheet sum of 20 million Swiss francs,
  - b. turnover of 40 million Swiss francs.

The report on extra-financial aspects, as better detailed in new articles 964a and subsequent of Swiss Code of Obligations (RS220), shall provide information on environmental issues, in particular on the objectives in terms of CO2 emissions, on the social and personnel aspects, on respect for human rights and on the fight against corruption. It also contains the information necessary to understand the company's performance, its results, its situation and the impact of its activity on the aforementioned aspects.

### **Duties of diligence and transparency in relation to minerals and metals originating in conflict zones and child labor**

As of 1 January 2022 Companies with seat, administration or establishment in Switzerland must observe due diligence obligations as detailed by articles 964j of Swiss Code of Obligations (RS220) in the supply chain and submit a report on this if

- they release for free circulation in Switzerland or process in Switzerland minerals or metals containing tin, tantalum, tungsten or gold originating in conflict or high-risk areas; or
- offer products or services for which there are reasonable indications that they were manufactured or supplied through the use of child labor.

The Federal Council establishes the annual volumes of imports of minerals and metals below which a company is exempted from the obligation of diligence and to report.

[Read more →](#)



## III · European Sandboxes



1. Do you have a Sandbox in place in your jurisdiction? If not, is there any draft law addressing this initiative in the short / mid-term?
2. What are the main benefits of the Sandbox?
3. Who can apply for the Sandbox?
4. How do you apply for the Sandbox?
5. What are the main requirements to apply for the Sandbox?
6. How many phases are there in the Sandbox and what is the duration of the Sandbox?
7. What happens to the projects that have successfully passed the Sandbox?
8. Other relevant information

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«**The fast development of the FinTech ecosystem in Albania has recently been the catalyst in the introduction of new and innovative legal initiatives that will apply to new business models currently developing novel technologies, which involve new and different challenges for the financial system both from the market players perspective and the regulators, namely the Bank of Albania (BOA) and the Albanian Financial Supervisory Authority (AFSA).**»

### 01 — Do you have a Sandbox in place in your jurisdiction? If not, is there any draft law addressing this initiative in the short / mid-term?

Albania does not have a dedicated law for the digital transformation of the financial system (Sandbox). Instead, the country has adopted different legal and regulatory acts that fall within the concept of the Sandbox. Two of the most important legal provisions in this regard are:

- 18 | • Law 55/2020 On Payment Services which transposes the European Union's Second

Payment Services Directive (PSD2) ("Law 55/2020");

- Law no. 66/2020 On Financial Markets Based on Distributed Ledger Technology ("Law 66/2020").

Both laws are currently being supplemented by adequate and dedicated regulations by the Regulators.

### 02 — What are the main benefits of the Sandbox?

Law 55/2020 marks significant progress for the integration process of Albania into the Single Euro Payment Area (SEPA). Law 55/2020 also aims to raise people's financial awareness, reduce the costs of payment services by fostering competition and therefore encourage the use of electronic payment instruments. The major concepts being introduced first in the country and region, including open banking and Strong Customer Authentication (SCA), are expected to thrive in the market with new entrants. A boost in competition should also be expected, with new payment options being offered to a market previously dominated by banks and costly services. Albania is now attracting and constantly supporting the development of FinTechs and other innovative payment service providers interested in entering the country's developing market.

Law 66/2020 introduces the Fintech concept in an effort to develop capital markets. Distributed Ledger Technologies in the Albanian capital market also include Blockchain as a specific form of such technology. The creation of this particular legal framework protects investors by strengthening the criteria for the licensing and supervision of entities and operators that perform activities related to the issuance, distribution, trading and providing portfolios of digital tokens and virtual currencies. Law 66/2020 also sets high standards for preventing market abuse.

### 03 — Who can apply for the Sandbox?

The above laws are a significant development in Albania's fintech ecosystem in terms of attracting investment. In addition, they bring different benefits and opportunities for all stakeholders, in particular to:

Promoters (fintech and other entities): incentivizing the creation of new business models, with the concept of open banking and home banking, and facilitating the use of innovation in the payment service for third parties, such as payment initiation services and institutions for account information services. These innovations will require banks to share customer account information with other payment service providers as licensed by BOA.

- The new law will also facilitate the provision of space for the operation of small value payment systems by Banks, Payment Institutions and Electronic Money Institutions, in order to meet different needs for these services, from the market itself. The law stipulates the creation of new business models, with the concept of open banking and home banking, which is expected to foster innovation in the payment service for third parties, such as payment initiation services and institutions for account information service.
- Financial institutions such as e-money institutions are offered the opportunity to operate also as a DLT exchange in the scope of Law 66/2020 based on distributed ledger technology. In addition, the law enables the use of smart contracts, contracts that contain a set rules and conditions, which set in motion predetermined reactions, and self-apply automatically in case of fulfillment of the conditions set out therein. The use of smart contracts shows a great potential to cut back on the costs of economic transactions, by replacing traditional transaction intermediaries (e.g. notaries) or payment systems with automated software. In this way, use of smart contracts can yield positive results for market participants and for final consumers.

Regulators: The Bank of Albania, the Albanian Financial Supervisory Authority and the Albanian Agency of Information Technology (AKSHI).

#### **04 — How do you apply for the Sandbox?**

Applications will be subject to regulations applicable to all market participants and will be subject to strict licensing criteria. Approval of some bylaws and amendments to the acts in force that regulate the licensing process of payment institutions, electronic money institutions, as well

as the registration of certain categories of payment service providers that benefit from the exemptions were passed by the BOA in November 2021, whilst the same is being carried out by ASFA for the distributed ledger technology legislation.

#### **05 — What are the main requirements to apply for the Sandbox?**

Please refer to the reply to question 3 that explains which are the market participants.

#### **06 — How many phases are there in the Sandbox and what is the duration of the Sandbox?**

Duration depends on the activity to be conducted. In principle, licenses to operate in the financial markets in Albania do not have a set duration.

#### **07 — What happens to the projects that have successfully passed the Sandbox?**

Projects presented to regulators are provided with a license as per the core activity requested in each of the banking and non-banking financial markets.

#### **08 — Other relevant information**

Regardless of the innovative approach, in particular of the distributed ledger technology legislation, as in the case of traditional financial instruments, digital tokens and virtual currencies, have a major risk associated with investors, the degree of their awareness on the meaning of these instruments and risks from investing in them.



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«**The global development of Fintech had its implications in Bosnia and Herzegovina, challenging it to review the existing business environment in the field of finance and to consider the improvements that need to be introduced to create new business opportunities that would enable creating innovative models such as Sandbox.**»

### 01 — Do you have a Sandbox in place in your jurisdiction? If not, is there any draft law addressing this initiative in the short / mid-term?

In Bosnia and Herzegovina ("BiH") there are still no adequate regulations on Fintech companies. As a result, there are no formal legal conditions for creating Sandbox.

An additional problem is that e-business regulations have not yet been fully implemented. The Law on Electronic Signatures and the Law on Electronic Documents have been adopted for years, but a certification that will administratively manage the database of electronic signatures is yet to be created. Therefore, it is clear that BiH is lagging behind in the process of digitalizing its financial system, which explains why Fintech development is slow, especially having in mind that financial market in BiH is still traditionally a bank-based system with mostly formal administrative process

and strict rules. In terms of innovation, there is still a great deal of caution in case of new technologies such as distributed ledger technology since it is a grey area in legislation causing financial institutions to avoid such instruments and technologies, considering digital tokens and virtual currencies a major risk associated with investors. However, there has been a significant shift in the last year, which can lead to an optimistic view that this might result in a faster adoption of new opportunities in the field of finance. The Law on digital assets is in its early stages of development, which could certainly be a good starting point.

### 02 — What are the main benefits of the Sandbox?

Introducing new business models and creating more favorable conditions for the development of Fintech should improve the entire financial system in BiH. This is also important because according to bankers, there is still no market development in BiH that would enable a return on investment in this area, which is why some technological and financial companies are not yet entering the Fintech business more seriously.

### 03 — Who can apply for the Sandbox?

Since Sandbox in Bosnia and Herzegovina has not been created yet, no one can apply to Sandbox. However, there is financial institutions (primarily banks and microcredit organizations) are very keen to speed up the process of digitalization of the financial sector, which would certainly contribute to BiH's better position in embracing new business models and opportunities.

### 04 — Other relevant information

It is not possible to anticipate when Sandbox will be introduced in BiH, especially in the banking and finance sector. This will largely depend on the initiative of financial market's stakeholders to keep up with other European countries, and on the awareness of the government and competent authorities to implement the necessary actions to create a more favorable environment for new business models which is envisioned to bring forth a development boost in the use of innovation in the payment service for third parties.





## BULGARIA



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**«The Innovation Hub has created a clear entry point for FinTech innovators into semi-structured communication with the Financial Supervision Commission, allowing evaluation of risk of innovative services and selection of applicable regulatory regimes to commence before official application for licensing, thereby improving regulatory certainty and lowering costs for both the companies and the regulator.»**

### 01 — Do you have a Sandbox in place in your jurisdiction? If not, is there any draft law addressing this initiative in the short / mid-term?

Two mechanisms for cooperation between FinTech companies and the Bulgarian Financial Supervision Commission (“FSC”) were contemplated by the regulator in its “Strategy for the monitoring of financial technologies in the non-banking financial sector (2018 - 2020)”: an Innovation Hub and/or Sandbox mechanism.

Following the publication of the strategy, the Innovation Hub model was chosen and has been incorporated since 2018 as an internal procedure for cooperation between companies and the FSC, reaffirmed in the 2021-2024 Strategy. In contrast to a full Sandbox regime, which provides for a

comprehensive controlled environment for the development and testing of novel services, the Innovation Hub approach focuses on providing an informal but structured communication channel between a FinTech innovator and the FSC intended to easing the process of later regulatory approval.

In its latest strategy, the FSC has stated its goal to closely follow the developments of other European Sandbox regimes, its own arising regulatory needs and to reevaluate possible implementation of a Sandbox mechanism in addition to the existing Innovation Hub, if the need arises. There is, however, no clear timeline for such adoption. Therefore, only the Innovation Hub is discussed below.

### 02 — What are the main benefits of the Sandbox?

The Innovation Hub has created a clear entry point for FinTech innovators into semi-structured communication with the FSC, allowing evaluation of risk of innovative services and selection of applicable regulatory regimes to commence before official application for licensing, thereby improving regulatory certainty and lowering costs for companies and the regulator.

The Innovation Hub offers companies the possibility to exchange information with the FSC, to receive suggestions for adjustments and to offer guidance in the differing regulatory requirements that might apply without the need to have a fully-fledged service undergoing licensing scrutiny.

Finally, the Innovation Hub allows the regulator to evaluate novel business models in a structured manner without the time and other constraints of the licensing procedure. It also allows the regulator to identify potential risks to consumers and to suggest modifications to remove these risks by design in the earlier stages of service development.

### 03 — Who can apply for the Sandbox?

The FSC has established the following eligibility criteria for companies to participate in the Innovation Hub:

- FSC competence domain: Does the applicant company directly or indirectly fall within the

competences of the FSC? Companies may only apply if their services fall within the non-banking regulatory sector: capital, pension, or insurance markets.

- **Innovativeness and utility:** Can the proposed project be defined as innovative for the Bulgarian market? Does the developed innovative product/service or business model contribute to providing easy and fast access to services in the non-banking financial sector, reducing costs for and protecting the rights of consumers?
- **Regulatory needs:** To what extent has the applicant company become acquainted with the applicable legislation, taken specific steps, and invested in understanding the relevant regulatory regime? Has a need been established to assist the applicant company in the process of consultation on the legal framework in the non-banking financial sector?

#### **04 — How do you apply for the Sandbox?**

The applicant company needs to fill a standardized application form available on the Innovation Hub's section of the FSC's website. The form requires the company to provide general business information (e.g. as the business' particulars of incorporation), a description of the innovative project, the reasons supporting the business' fulfillment of the criteria on innovativeness and utility described in Question 3, a timetable for project implementation, the type and extent of assistance requested from the FSC, and any supporting documentation.

#### **05 — What are the main requirements to apply for the Sandbox?**

Please see the answer to Question 3 above.

#### **06 — How many phases are there in the Sandbox and what is the duration of the Sandbox?**

The FSC divides participation in the Innovation Hub into four phases: (i) application through online form; (ii) project evaluation according to the eligibility criteria; (iii) provision of assistance; and (iv) company evaluation of the effectiveness of the Hub mechanism.

Considering the case-by-case approach taken

by the FSC in conducting discussions and providing assistance throughout the mechanism, there is no concrete timeframe for the duration of any of the phases. The FSC indicates only that responses are given within a reasonable time-limit. Especially complex and novel business models require a lengthier evaluation and a more complex assistance, including consultation with numerous experts from the varied relevant (sub-) regulatory departments.

#### **07 — What happens to the projects that have successfully passed the Sandbox?**

The main goal of participation in the Innovation Hub is subsequent application for getting the project officially reviewed and licensed by the FSC. Participation in the Innovation Hub can significantly shorten the licensing process, as the regulator has had an opportunity to review the business model's particularities and the company has had sufficient time and information to prepare all required regulatory materials, without the need for additional requests by the FSC.

When the assistance phase is completed, participating companies are invited to complete an evaluation questionnaire intended to further fine-tuning the mechanism. Thus far, the FSC has published no reports summarizing the effectiveness and received evaluations of the Innovation Hub, citing privacy considerations. However, the FSC publishes regular aggregate reports on the development of different innovative FinTech services in the Bulgarian market on a dedicated page on its website.

#### **08 — Other relevant information**

The major strengths of the Innovation Hub—flexibility and lack of strict formal requirements—can also often be its biggest drawback. The lack of fixed deadlines for the phases and unclear mandatory assistance elements can lead to situations where applicant companies do not receive an adequate level or breadth of assistance.





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«**Innovation hubs as the supportive and proactive catalysts could be a window for introducing Sandbox in Fintech development in Croatia, as well as the current market initiatives in favorem Sandbox Law regulation, especially among the Croatian startups which develop artificial intelligence (AI) projects.**»

### 01 — Do you have a Sandbox in place in your jurisdiction? If not, is there any draft law addressing this initiative in the short / mid-term?

Unfortunately, Croatia does not have any laws (even in draft form) addressing the Sandbox initiative. Fintech development is slow due to regulatory uncertainty, very formal and strict administrative processes, a detailed set of rules and the fact Croatia's financial market is still a bank-based system. A positive step was the establishment of Innovation hubs by the two regulatory authorities for the financial system in Croatia, the Croatian National Bank (CNB) in the banking sector and the Croatian Financial Services Supervisory Agency (HANFA) in the non-banking sector.

In 2019 HANFA established an Innovation hub as a point where innovative projects in the field of financial services will be able to obtain informal

support, advice, or guidance to understand their position within the regulatory framework and to determine regulatory, supervisory, and legal issues relevant to the project. The hub was designed to play a key role in HANFA's collaboration with existing entities, technological service providers, start-ups, and other stakeholders in business ventures that use (or want to use) innovative solutions in the non-banking financial services sectors and to be active catalyst in promoting improved and more efficient communication between the financial industry and innovative technological solutions, research, development and society's economic needs.

In early 2020 the CNB established an Innovation hub for banking and payment services intended to providing non-binding and informal support to business entities developing an innovative fintech product or service. The hub was designed for all business entities that are currently developing (or have developed) a technological innovation related to the provision of banking or payment services, regardless of whether they have been previously authorized by the CNB to provide a particular type of service.

Innovation hubs as the supportive and proactive catalysts could be a window for introducing Sandbox in Fintech development in Croatia, as well as the current market initiatives in favorem Sandbox Law regulation, especially among the Croatian startups which develop projects in connection with artificial intelligence (AI). Croatia is one a world leader in this area. In 2021 there were 115 startups related to AI and Sandbox could be very helpful for their research and development as a testing laboratory and tool for the promotion of AI. It could also enable tests of AI prototypes and foster the creation of of new startups and innovations.

### 02 — What are the main benefits of the Sandbox?

Although Sandbox could be perceived as an expensive operation, it is important to note that it creates a healthy ecosystem for new business models, it helps modernizing financial services and provides consumer protection. Sandbox unites regulators and regulated parties with the same goal, namely: to launch creative and innovative projects into the market faster, via a flexible approach and

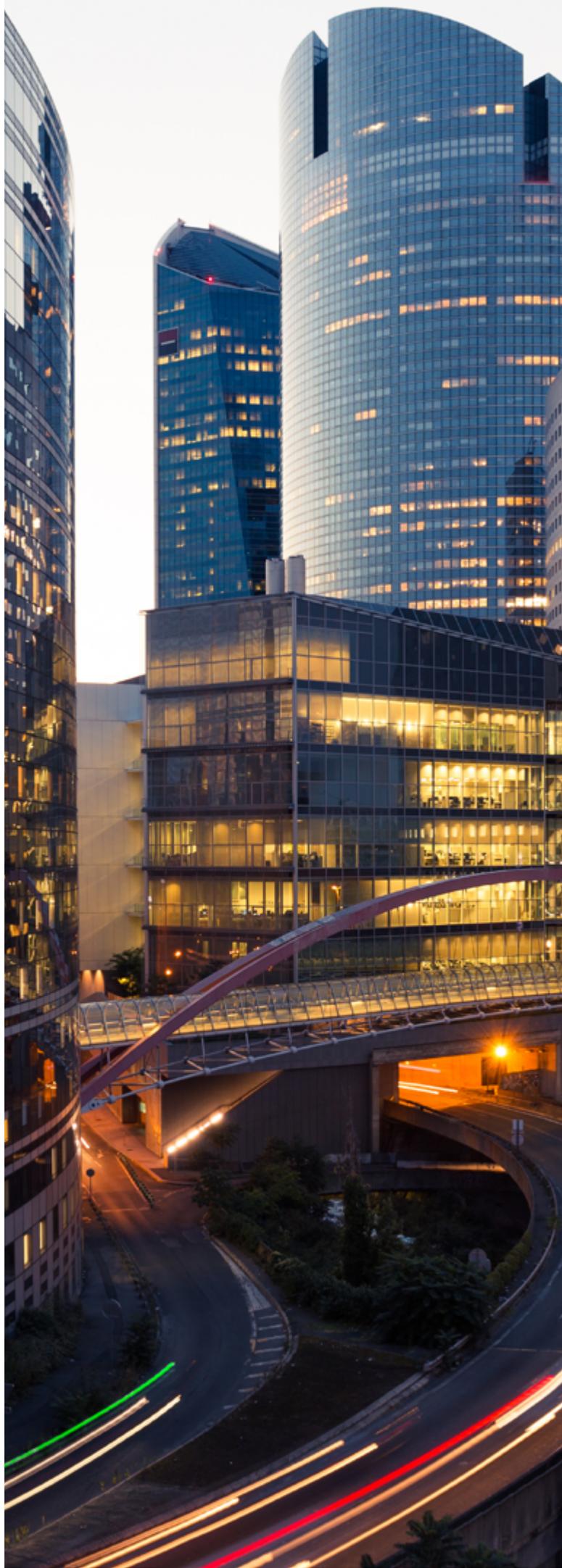
strategic guidance, ensuring that consumers receive top quality products and services.

### **03 — Who can apply for the Sandbox?**

At the moment no one can apply to Sandbox, since no Sandbox in Croatia has been created so far. However, it can be assumed that fintech companies and other business entities will eventually be able to apply to Sandbox and test innovative products, services, business models and any other most advanced innovations.

### **04 — Other relevant information**

At the moment no one can apply to Sandbox, since no Sandbox in Croatia has been created so far. However, it can be assumed that fintech companies and other business entities will eventually be able to apply to Sandbox and test innovative products, services, business models and any other most advanced innovations.





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**«The Czech National Bank has repeatedly expressed its liberal approach to the financial innovations meaning that all participants of the financial industry have to meet the same criteria and there is no reason to make the requirements easier for “FinTech” companies.»**

## 02 — Other relevant information

In addition to the above, it is necessary to point out that the Czech National Bank has established a “FinTech contact point” open to everyone. This should help FinTech companies clarify whether their products meet the applicable statutory criteria. The Czech National Bank will try to resolve unclear regulatory issues to facilitate compliance with the financial market regulation following enquires within “FinTech contact point”.

## 01 — Do you have a Sandbox in place in your jurisdiction? If not, is there any draft law addressing this initiative in the short / mid-term?

The idea of a regulatory sandbox in the Czech Republic is in its infancy. The Czech National Bank has repeatedly expressed its liberal approach to financial innovations, meaning that all financial market participants must meet the same criteria. The national bank sees no reason to provide a monitored testing ground for financial innovators.

Even though the Ministry of Finance looks favorably on financial innovations and supports creating an informal financial innovation hub, there is no draft law in the pipeline. Furthermore, there are now no signs that would indicate that the legislation may change in the near future. Regulatory sandboxes are currently only a matter of public debate and discussions among relevant stakeholders.



## GERMANY



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**«German regulations do not foresee the possibility of "light" regulation for a regulatory sandbox concept. Also, the German regulator's administrative practice does not distinguish between established and new, untested business models.»**

**01 — Do you have a Sandbox in place in your jurisdiction? If not, is there any draft law addressing this initiative in the short / mid-term?**

German banking and finance laws do not provide for a sandbox regime under which certain business models may benefit from a permanent or temporary relief from regulatory obligations ("regulation light"). Also, the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht – "BaFin") takes the view that a regulatory sandbox impairs the principle of a level playing field in regulation. BaFin and the Federal Ministry of Finance (Bundesfinanzministerium) currently see a sandbox as an invitation for impermissible regulatory arbitrage. However, since the new federal government has just been formed in December 2021 (with the Federal Ministry of Finance being chaired by a liberal minister) this view may well change.

We are not aware of any short or medium-term sandbox initiatives by the legislator.





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«**With the use of the Regulatory Sandbox, innovative financial products can be made available in the Greek market based on financial stability; at the same time, legal certainty is enhanced through the stakeholders' compliance guidance and the regulator's market knowledge of financial innovation**»

### 01 — Do you have a Sandbox in place in your jurisdiction? If not, is there any draft law addressing this initiative in the short / mid-term?

The Bank of Greece (BoG) has very recently put in place its Regulatory Sandbox. In its Decision no 189/1/14.05.2021, the BoG laid down the terms and conditions applicable to the establishment and operation of the Regulatory Sandbox. The Regulatory Sandbox in Greece is a mechanism established and operating in accordance with the terms and conditions set out in the Decision that enables eligible institutions to test on a small-scale innovative technology-based financial services/products under a specific testing plan agreed with and monitored by the BoG.

With the use of the Regulatory Sandbox, innovative financial products can be made available in the Greek market based on financial stability; at the same time legal certainty is enhanced through

the stakeholders' compliance guidance and the regulator's market knowledge in financial innovation.

### 02 — What are the main benefits of the Sandbox?

Once an institution is admitted to the BoG's Regulatory Sandbox, a two-fold support is provided by the competent authority. Eligible institutions a) are given regulatory and compliance guidance towards the understanding of the legal framework related to the innovative service/product or clarifications together with information on compliance issues and b) may make use of the Single Point of Contact which ensures direct communication and cooperation between the participating institution and the BoG.

### 03 — Who can apply for the Sandbox?

Largely institutions under the supervisory powers of the BoG subject to the eligibility criteria of the relevant BoG Act. Without limitation, these are: credit institutions, financial leasing companies and factoring companies, electronic money institutions and payment institutions, account information data providers, credit companies and credit servicing firms, bureaux de change and microfinance institutions, insurance and reinsurance undertakings; all the above authorized in Greece; also non-EEA branches of credit institutions and insurance and reinsurance undertakings authorized in third (non-EEA) countries operating branches in Greece.

### 04 — How do you apply for the Sandbox?

Institutions willing to participate in the Regulatory Sandbox are required to submit a completed application form available from the BoG. There is a minimum content that needs to be filled in the application such as identity and contact details of the applicant institution, a description of the business model underlying the Fintech service/product to be tested, documentation demonstrating the fulfilment of the eligibility criteria of the BoG Act, testing parameters, overview of the regulatory and business risks associated with the supply of the innovative service/product, a brief description of the applicant's exit and transition plan, evidence of the need to test the service/product in the

Regulatory Sandbox, a description of the type of support expected from the Regulatory Sandbox, and information on any prospective partnerships for entering the Regulatory Sandbox. The regulator decides on the admission or rejection of the applicant institution within one (1) month of receipt of a complete application.

### **05 – What are the main requirements to apply for the Sandbox?**

There are product-based eligibility criteria to be admitted to the Regulatory Sandbox. In specific, eligible institutions are those intending to offer any service/product: (a) covered by their (the applicant's) license/ authorization, consistently with the applicant's articles of association and within the BoG scope of competence; (b) is truly innovative and/or significantly different from similar services currently available in the Greek market improving an already existing financial activity or significantly differ from the services/products already provided by the institutions in the Greek financial market; (c) provides distinct benefits to users and the financial system (d) presents sufficient readiness to test, and is ready to be tested in a live environment, while the necessary (financial, technological, human) resources have been secured; and (e) is intended to be placed in the domestic market.

### **06 – How many phases are there in the Sandbox and what is the duration of the Sandbox?**

The life cycle of the Regulatory Sandbox comprises four (4) distinct phases, namely (i) application (described in synopsis above in question 4); (ii) preparation; (iii) testing; and (iv) evaluation/exit (briefly mentioned in question 7). Under the preparation phase eligible participants will work closely with the BoG to prepare a Testing Plan, update and finalize the testing parameters, build in appropriate safeguards to mitigate potential risks, finalize the testing plan and discuss potential restrictions and conditions that must be met prior to testing. In the testing phase, the solution is provided in a “live environment” for up to 6 months (extension is possible up to 6 months) and customized guidance is provided by the regulator, who monitors compliance with the preparation phase requirements agreed upon.

Participants are also required to submit interim reports on the testing progress.

### **07 – What happens to the projects that have successfully passed the Sandbox?**

With the end of the Testing phase, the service/product under testing is evaluated and the participating institution exits the Regulatory Sandbox. Upon exit, the participant may proceed to deploy the financial service on a broader scale or terminate the provision of its service.

### **08 – Other relevant information**

Participation in the Regulatory Sandbox is free of charge. The BoG has a dedicated page on its website <https://www.bankofgreece.gr/en/main-tasks/supervision/regulatory-sandbox> about the Regulatory Sandbox, including regulatory and business information, informative videos, FAQs and others. The resource is available in Greek and in English.



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**«For financial service providers the Sandbox offers a real testing environment where innovative solutions may be tested with real users, while the administrative tasks related to the financial services under test may be significantly eased during the testing period.»**

### 01 — Do you have a Sandbox in place in your jurisdiction? If not, is there any draft law addressing this initiative in the short / mid-term?

Yes. The National Bank of Hungary (Magyar Nemzeti Bank, the "MNB"), acting as the supervising authority for the financial sector, launched its financial innovation platform called MNB Innovation Hub in March 2018, followed by its regulatory test environment, the Regulatory Sandbox (the "Sandbox") at the end of 2018.

MNB Regulation no. 47/2018. (XII. 17.), effective from 18 December 2018, sets the legal basis of the Sandbox. Participants may provide financial services, during a test period of a maximum of 12 months to a restricted number of customers (in any case not more than 10 000), under conditions where the service provider is authorized to deviate from MNB regulations on obligations applicable to financial service providers, subject to the MNB's continuous supervision. The purpose of the Sandbox is to allow financial institutions to provide

innovative solutions to customers, especially in terms of renewing application methods and increasing efficiency.

### 02 — What are the main benefits of the Sandbox?

For participants (financial service providers, fintech enterprises) the Sandbox offers a real testing environment where innovative solutions may be tested with real users, while the administrative tasks related to the financial services under test may be significantly eased during the testing period.

For the MNB continuous supervision and participants' feedback offer analytic opportunities concerning existing regulations and future plans and strategies.

### 03 — Who can apply for the Sandbox?

Any financial enterprise supervised by the MNB in accordance with the MNB Act (Act CXXXIX of 2013 on the National Bank of Hungary) may apply to participate in the Sandbox, if

- the relevant service is innovative – a service, product, solution, technology, business model that brings something new or a benefit to customers in the given financial sector (e.g. faster availability, cheaper service, etc.);
- the innovation is ready for testing, i.e. ready for practical use and for a comprehensive examination by the MNB;
- the participant intends to provide the relevant service in Hungary.

### 04 — How do you apply for the Sandbox?

The MNB has set up a preliminary consultation procedure where the MNB consults with the applicant on the specific content of the documents necessary to verify the content and the documents' eligibility of the request for the Sandbox approval. The relevant questionnaire may be filed with the MNB electronically via the webpage of the Sandbox (<https://www.mnb.hu/en/innovation-hub/regulatory-sandbox>).

Following the preliminary consultation, a formal Sandbox request must be filed with the MNB, containing, at, least, the following:

- a detailed description of the innovative solution, including detailed functional and security specifications;
- the regulations from which the applicant requests deviation;
- reasons for the applications, with an emphasis on how the solution serves the purpose of the Sandbox;
- a full-scale risk assessment of the innovative solution, including identified risk management methods, customer compensation, related procedures, etc.;
- concerned customers, intended maximum number of customers, customer selection criteria;
- sample documentation for customer information and
- documentation substantiating the fulfillment of the Sandbox criteria.

If approved, the individual resolution of the MNB (the Sandbox license) will set all the details for the applicant and the innovative service (test period, services, regulations under deviation, maximum number of customers, etc.).

### 05 – What are the main requirements to apply for the Sandbox?

See the three main criteria in Q3 above.

### 06 – How many phases are there in the Sandbox and what is the duration of the Sandbox?

Preliminary consultation → Sandbox licensing procedure, Sandbox license → testing period

The testing period may be extended upon the applicant's request for up to 6 months.

The Sandbox license may be withdrawn if (i) its terms are repeatedly or materially breached, (ii) the innovative solution is not in use, (iii) the Sandbox criteria are not met.

### 07 – What happens to the projects that have successfully passed the Sandbox?

At the end of the test, the MNB consults with the applicant to evaluate together the results, and agree on opportunities for improvement. At

the applicant's discretion, licensing request may be filed for the tested service for normal use and provision of services.

### 08 – Other relevant information

No matter how innovative a solution is, participation in the Sandbox may in no case jeopardize the MNB's supervisory responsibilities, nor to the fundamental purposes of the legislation applicable to MNB supervised sectors, or to any Hungarian or EU legislation. This is the first point in the Sandbox criteria (3. § paragraph (1) point a) of the MNB Regulation no. 47/2018. (XII. 17.)) – a rather unclear principle that gives broad discretionary powers for the Hungarian supervising authority, which in particular requires careful assessment and operation for the financial enterprises participating in the Sandbox. In other words, no testing environment that grants exemptions from certain regulations may be used as an excuse to deviate from the fundamental purposes of the financial sector or consumer protection.

## ITALY



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**«Fintech and other entities can use the Sandbox as a "fine-tuning mechanism" for products / pilot projects they intend to launch in the market, as a method to assess the viability of the project prior to formally obtaining the appropriate license.»**

### 01 — Do you have a Sandbox in place in your jurisdiction? If not, is there any draft law addressing this initiative in the short / mid-term?

The decree implementing the Sandbox FinTech system in Italy entered into force on 17 July 2021. This is Decree No. 100 of 30 April 2021 "Regulation implementing Article 36, paragraphs 2-bis et seq. of Decree-Law No. 34 of 30 April 2019, converted, with amendments, by Law No. 58 of 28 June 2019, on the regulation of the FinTech Committee and FinTech testing (hereinafter, the "Decree").

The Decree establishes a simplified regulatory regime offering the possibility to deviate from supervisory guidelines or regulations adopted by the competent supervisory authorities, thus allowing FinTech intermediaries and/or operators to test their technologically innovative products and services in the banking, financial and insurance sectors.

### 02 — What are the main benefits of the Sandbox?

The Sandbox offers FinTech operators an opportunity to implement their innovative business models by applying the regulatory exemptions granted by competent supervisory authorities. The exemptions available under the Sandbox regime may vary on a case-by-case basis according to the nature of the regulated activities underlying the innovative services and the applicable regulatory regime.

The Sandbox is also intended to support and bolster further development and evolution of the Italian market through the introduction, in a simplified context, of innovative products and services. The Sandbox is able to ensure an adequate level of consumer protection and compliance with the principles of free competition.

In this simplified context, the Sandbox allows regulatory authorities to observe and better understand the dynamics of the technological development underlying each Fintech project to identify potential legislative or regulatory interventions that would allow the development of the whole sector and prevent the apparition of potential new risks.

### 03 — Who can apply for the Sandbox?

Access to the Sandbox may be requested alternatively for the following types of activities:

- activities that are subject to authorization or registration in a register by at least one of the supervisory authorities of the banking, financial or insurance sectors;
- activities subject to authorisation or registration as referred to in the preceding paragraph, but which fall within a case of exclusion provided for by law;
- activities consisting in a service affecting regulated profiles of the above-mentioned sectors to be provided in favor of a supervised or regulated entity by at least one supervisory authority;
- activities performed by an entity supervised or regulated by at least one of the supervisory authorities in the above sectors.

## 04 — How do you apply for the Sandbox?

Before submitting an application for the testing of FinTech products, interested operators have the opportunity to open informal discussions for guidance. These are conducted online via a special communication channel. The competent authorities are required to respond quickly, taking into account the temporary application slots.

Applications must be submitted during special time slots of a maximum duration of two (2) months each. The first slot for submission of applications opened on 15 November 2021 and closed on 15 January 2022. Interested operators are invited to submit their application by filling in the online form available in the Sandbox section of the respective supervisory authorities' websites. Applications are digitally signed.

## 05 — What are the main requirements to apply for the Sandbox?

Pursuant to the Decree projects must meet certain Sandbox eligibility criteria, as follows:

- Activity's innovativeness: the activity must be innovative, that is, it must use new technologies and offer services, products or processes in the banking, financial or insurance sectors that are genuinely new and different from what is already available on the national market.
- Need for derogation: the activity must require deviation from one or more supervisory guidelines or regulations adopted by the supervisory authorities.
- Added value: the innovative activity to be tested must necessarily bring added value in at least one of the following manners:
  1. bring benefits to end-users in terms of quality of service, promotion of competition, access conditions, availability, end-user protection or costs;
  2. contribute to the efficiency of the banking, financial or insurance system or the operators involved in it;
  3. make the application of banking, financial and insurance regulation less onerous or more effective;
  4. enable an improvement in the internal systems, procedures or processes of operators in the

banking, financial or insurance sector related to risk management.

- Advanced status of the project.
- Sustainability: the activity must be expected to be economically and financially sustainable or have adequate financial backing.

## 06 — How many phases are there in the Sandbox and what is the duration of the Sandbox?

Sandbox applications must be filed at specific time slots: the first time slot opened on 15 November, 2021, and closed on 15 January 2022. Details of new submission time slots are yet to be made public. As far as timeframes are concerned, the Decree provides that admission to testing must be decided within 60 days of the expiry of the time slot for admission. However, please note that this time limit may be suspended subject to prior notice. Testing may not exceed eighteen (18) months, except in cases of extension provided for by the Decree in some specific cases.

## 07 — What happens to the projects that have successfully passed the Sandbox?

At the end of the testing, admitted entities are required to submit to the competent supervisory authority an economic and operational report on the testing, and promptly inform the public about the ending of the testing period. If the testing has been successful and the continuation of the activity requires regulatory changes, competent authorities will open preliminary enquiries to assess any regulatory changes needed, which could allow the activities to be carried out also outside the testing period.

## 08 — Other relevant information

Time slots for the filing of Sandbox applications may be reserved for projects dealing with specific aspects of innovation. As regards the first window currently open, no limitations have been set in terms of maximum number and thematic area of eligible projects.



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«**The Principality of Liechtenstein does not have a regulatory sandbox as such. However, it uses its advantages as a transparent market and pursues a different approach: Since 2015, Liechtenstein's Financial Market Authority (FMA) has offered a “regulatory laboratory”, which is intended to support innovative companies in the licensing process, among other things. In addition to this instrument, which ultimately follows a similar goal to that of a “regulatory Sandbox”, Liechtenstein also operates an “Innovation Club” and the “Liechtenstein Venture Cooperative”.»**

**01 — Do you have a Sandbox in place in your jurisdiction? If not, is there any draft law addressing this initiative in the short / mid-term?**

The Principality of Liechtenstein has no regulatory sandbox nor is there any draft law addressing this initiative.

**02 — What are the main benefits of the Sandbox?**

- 34 | • “Regulatory Laboratory”: The financial industry is currently being shaped by major changes in

the market environment. Innovation is mainly driven by digitalization and by new financial technologies. However, experience shows that innovative business models often do not fit into the classic regulatory categories. A competence team as “regulatory laboratory” for innovative business models has therefore been established at the Liechtenstein Financial Market Authority. This gives interested companies direct access to a competence team for a regulatory licensing process that is as hassle-free and agile as possible.

- “Innovation-Clubs”: Government regulatory frameworks have a significant influence on companies. They can enable or hinder business, and they define how much resources must be spent on administration, i.e. the non-productive part of business. To enable entrepreneurs to efficiently communicate their needs to the state, “Innovation Clubs” have been created. Innovation Clubs enable an efficient process for innovation in the area of regulatory frameworks or other areas of state activity.
- “Liechtenstein Venture Cooperative” (LVC): With the LVC, Liechtenstein offers an optimal and cost-effective legal instrument for the development of innovations. The Ministry of Presidential Affairs and Finance provides the templates for the required founding documents in an effort at improving legal certainty and fairness for innovators in the early stages. LVCs are platforms for cooperation among different stakeholders for the development of an innovation. By establishing an LVC, innovators bring their ideas directly into their own legal form, paving the ground for facilitated cooperation with other know-how carriers and capital providers. LVCs provide a legal basis for bringing in labor, material and capital contributions from various individuals and legal entities as may be necessary to implement an innovation in the form of an investment. In return for contributing the idea or preliminary work to the LVC, the inventor or inventors receive shares in the company.

With the above listed instruments, the regulator seeks to promote innovation in the FinTech sector. It is working towards using and shaping regulation

in such a way that business models in the FinTech area can actually be realized.

Market access to Switzerland and to the European Economic Area is a very important advantage in Liechtenstein. Accordingly, business models must be compliant with European requirements (Single-License-Principle). Nevertheless, the FMA must also ensure that client protection and trust in the financial center are guaranteed..

### **03 — Who can apply for the Sandbox?**

Because of Liechtenstein's different approach innovative or FinTech companies can apply for the benefits of the above listed instruments. However, FinTech companies need to ascertain from the outset whether the intended activity is subject to the Liechtenstein Anti-Money Laundering Act (Due Diligence Act; DDA) and/or whether the activity is subject to licensing, prospectus or registration requirements, as the case may be. The competence team of the "Regulatory Laboratory" can offer guidance to FinTech-Companies on these matters.

### **04 — How do you apply for the Sandbox?**

The FMA and its competence team can provide information at [fintech\[at\]fma-li.li](mailto:fintech@fma-li.li). The FMA supports and guides FinTechs through the licensing process. The FMA also seeks active contact with innovative financial service providers and offers a constructive exchange.

### **05 — What are the main requirements to apply for the Sandbox?**

Please see answer to Question 3.

Applicants requiring further guidance in addition to the information provided by the competence team, can contact the FMA. Deepening on the exact financial service the FMA requires that enquiries concern a "precisely defined" topic related to trusted technologies, i.e. distributed ledger technology, block-chain or similar applications, as well as any activities on such systems. Enquiries must also address the applicability of the special laws with regard to the different regulatory licenses. The FMA decides on complete inquiries within 3 months.

### **06 — How many phases are there in the Sandbox and what is the duration of the Sandbox?**

As the "Regulatory Laboratory" is intended to support innovative companies in the licensing process the duration of the regulatory licensing process depends upon the requested regulatory license and the relevant financial service, if applicable. In general, the licensing process takes three months, if all required documents are in order.

### **07 — What happens to the projects that have successfully passed the Sandbox?**

Liechtenstein is committed to open communication and a willingness to innovate on the part of regulatory authorities. The country is therefore focusing on offering companies better support and on optimizing processes to meet existing regulatory requirements in cooperation with FinTech companies. As a result, supported Fintech or companies are leaving the process with a full regulatory license in Liechtenstein rather than still applying for it like in most of the other countries, which are following the regulatory sandbox regime.

### **08 — Other relevant information**

The Liechtenstein innovation framework ensures a dynamic, continuous development of the framework and location conditions, and a high degree of legal certainty for private individuals and companies.



## POLAND



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### 01 — Do you have a Sandbox in place in your jurisdiction? If not, is there any draft law addressing this initiative in the short / mid-term?

In Poland there currently is no regulation related to a Sandbox. The Polish Financial Supervision Authority ("FSA") is in the process of developing a regulatory Sandbox, using EU funds from the Structural Reform Support Program (2017–2020) with the support of the European Bank for Reconstruction and Development. So far, the FSA has successfully introduced the Innovation Hub Program, supporting financial sector entities in identifying relevant regulations and supervisory positions applicable to the entity, business model, financial product or service offered. Moreover, the FSA has launched a Virtual Sandbox - an IT infrastructure simulating selected financial market operations. Tests of a similar solution for Blockchain technology begins. The FSA has advised that the implementation of the regulatory Sandbox will take place next. However, the exact timing of the release of the project assumptions is currently unknown.



## PORTUGAL



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**«In the banking system, Zonas Livres Tecnológicas (Free Technological Zones) will allow companies to test innovative products, services and business models in the market, while safeguarding the interests of consumers and preserving the security and integrity of the system.»**

### 01 — Do you have a Sandbox in place in your jurisdiction? If not, is there any draft law addressing this initiative in the short / mid-term?

Decree-law no. 67/2021, enacted on the 30th July 2021, approved the regulations and the governance model for the promotion of technology-driven innovation through the creation of zonas livres tecnológicas (technological free zones or ZLTs) which correspond to regulatory Sandboxes. This decree-law does not create the ZLTs, but specifies the conditions for their creation. The target is to implement several ZLTs across the country, each one specially designed for certain technologies or sectors.

No ZLT has been created so far.

### 02 — What are the main benefits of the Sandbox?

ZLTs were born from the need for a common vision to carry out tests and experimentation, in a real environment, in monitoring the development of new technologies and solutions. In this view, the existence of a basis that facilitates the testing of integrated products, services, processes and models that cross more than one sector (and may therefore be subject to different regulation and regulators) is contemplated.

The creation of ZLTs will allow Portugal to pursue the following objectives:

- Position the country as a leader in R&D;
- Attract foreign investment;
- Boost projects with an international dimension;
- Promote Portuguese resources;
- Stimulate the entrepreneurial ecosystem;
- Encourage cooperation;
- Contribute to knowledge creation.

In the banking sector, ZLTs will allow companies to test innovative products, services and business models in the market, while safeguarding the interests of consumers and preserving the security and integrity of the system.

By allowing a simplified process to obtain a specific license for the financial markets, companies may benefit from a set of advantages, including:

- reducing the time and cost of testing innovative ideas on the market, which encourages the entry of innovative companies and first-movers;
- reduced regulatory uncertainty that the operator is subject to, which may allow, for example, easier access to financing;
- ensuring that consumer rights are protected and risks to the financial system minimized; and
- access to a close and informal communication channel with the sector regulator(s).

### 03 — Who can apply for the Sandbox?

As mentioned above, no sandbox has been created so far.



However, according to the general principles set out by Decree-Law no. 67/2021, individuals and legal entities, public or private requiring the testing of innovative technology, products, services and processes may apply for a Sandbox.

Upon its creation, the ZLT's managing entity will have to draw up the respective internal regulations, which must include eligibility requirements of test promoters, namely those relating to their technical, economic and financial capacity, to the compliance with their tax and social security duties and to the subscription of insurance contracts or provision of guarantees required under the terms of the legislation applicable to the activity to be developed.

#### **04 — How do you apply for the Sandbox?**

You cannot apply for a sandbox, as no sandboxes have been created so far.

However, entities intending to start the process of creating a ZLT may express their interest to do so to ANI – Agência Nacional de Inovação, S.A., the Portuguese agency for innovation, by filling a form available on ANI's website at <https://out.ani.pt/ZLT/>.

#### **05 — Other relevant information**

Although widely discussed in the banking system, namely at innovation hubs such as Portugal Finlab (<https://www.portugalfinlab.org/>), jointly created by the Bank of Portugal, the Portuguese Stock Market Commission and the Insurance Supervising Authority, or FinTech+ (<https://www.bportugal.pt/page/fintech>), created by the Bank of Portugal, there is still no forecast for the setting up of a sandbox for the banking system.



## ROMANIA



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«**Romania has implemented dedicated innovation hubs for financial services and products, which allow companies to contact the National Bank of Romania and the Romanian Financial Supervisory Authority for conformity guidance. A regulatory sandbox plays an essential part in enabling FinTechs and other market players to test their products and facilitate their launching. Romanian authorities informed on their intention to implement such initiative in the near future, but no draft law has been formally initiated, yet.**»

**01 — Do you have a Sandbox in place in your jurisdiction? If not, is there any draft law addressing this initiative in the short / mid-term?**

So far, Romania has not implemented a regulatory sandbox. However, there are two innovation hubs, which are dedicated points of contact for companies to raise queries on FinTech-related issues. The innovation hubs allow companies to contact the competent authorities and seek non-binding guidance on the conformity of

their innovative financial products, services or business models with applicable licensing or registration requirements and the expectations of the regulatory and supervisory bodies. The two FinTech hubs have been launched by the National Bank of Romania (“NBR”) and by the Romanian Financial Supervisory Authority (“FSA”) back in 2019.

Currently, there is no draft law under consideration that looks at the implementation of a regulatory sandbox. However, the FSA announced last year that they are considering launching the first Romanian sandbox, allowing companies to test their products and business ideas, and creating a well-adapted legal framework covering the financial and the consumer protection sector. This initiative is one of the FSA’s targets for its 2021-2023 strategy and a specific target of the Romanian Government for the foreseeable future.

## SLOVENIA



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«Slovenian legislation has not yet introduced sandboxes. However, in order to foster market developments in financial services and payments, the Central Bank of Slovenia (Banka Slovenije) launched the Fintech Innovation Hub, designed to ensure a direct interaction with the Fintech sector and create a favorable environment for developing efficient and convenient products in order to raise financial inclusion.»

participate in the Fintech Innovation Hub. The Hub is also open to established and market players, , whether or not they are licensed to provide financial services.

Most standard business models considered by the Fintech Innovation Hub are alternative methods of payment, crowd-funding, services related to crypto assets, applications from the field of blockchain and DLT technologies, regulatory technologies (RegTech), and other technologies and applications related to financial services.

The Fintech Innovation Hub has clarified the regulatory requirements from the areas within the powers of Banka Slovenije. Business entities requiring information about other areas are redirected to the appropriate competent national authorities such as the Securities Market Agency, the Insurance Supervision Agency, or the Information Commissioner.

**01 — Do you have a Sandbox in place in your jurisdiction? If not, is there any draft law addressing this initiative in the short / mid-term?**

Slovenian legislation has not yet introduced sandboxes, and there is no draft law addressing this initiative. However, the Central Bank of Slovenia (Banka Slovenije) has implemented the Fintech Innovation Hub. This is a dedicated, single point of contact for exchanging information related to innovative business models and clarifying regulatory requirements from the areas within the Banka Slovenije's remit.

Market entities that develop innovative solutions in the field of financial services, and technology companies that cooperate with financial institutions in the development of innovative services, can





## SPAIN



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«**F**intech and other entities can use the Sandbox as a "fine-tuning mechanism" for the products / pilot projects they intend to launch in the market, as a way to assess the viability of the project itself prior to formally obtaining the corresponding license.»

### 01 — Do you have a Sandbox in place in your jurisdiction? If not, is there any draft law addressing this initiative in the short / mid-term?

On 13 November 2020, Law 7/2020 for the digital transformation of the financial system (hereinafter, the "Sandbox Law") was approved, creating in Spain a regulated and monitored testing space ("Sandbox") to allow different promoters to present and test their innovative projects in a secure manner and under the supervision and control of the regulator.

### 02 — What are the main benefits of the Sandbox?

The Sandbox is a breakthrough for the fintech ecosystem in Spain in terms of attracting investment and talent. In addition, the Sandbox brings different benefits and opportunities for all the participants, in particular:

1. Promoters (fintech and other entities): promoters can use the Sandbox as a "fine-tuning mechanism" for the products / pilot projects they intend to launch in the market. It is a method of assessing the viability of the project prior to formally obtaining the appropriate license, thus avoiding unnecessary costs and expenses required during the licensing process.
2. Regulators: Sandbox is a great opportunity for regulators (i.e. the Bank of Spain, the Spanish Securities and Market Commission and the Directorate General of Insurance and Pension Funds) to analyze different disruptive and complex business models. In this way, regulators can analyze with a certain "margin of error" any potential contingencies or difficulties that may arise when a product may or may not adapt to current regulation.
3. Consumers: From this point of view, Sandbox seeks to create a space designed to develop safe conditions in which technological innovations can be tested with maximum guarantees, in particular for consumers and users.

### 03 — Who can apply for the Sandbox?

To create a reasonable filter for the Sandbox, the legislator has established a series of minimum criteria that every firm / promoter (even Spanish or foreign companies) must meet, in particular:

- Technological innovation and disruption: for a pilot project to be eligible it will have to be, first and foremost, innovative. The promoter will have to justify and argue that its business model involves a clear technological innovation factor within the financial sector (either through new applications, processes or products) and that it is a disruptive and/or novel model. Also, promoters may be required to prove the absence of other similar models in the market, either by companies of its Group or competitors.
- Minimum functionality: Likewise, promoters should be able to demonstrate that the project has a certain minimum level of functionality and degree of progress to justify its future viability. The regulator will look favorably on

the ability to provide additional (optional) information, including market studies, corporate presentations, and commercial documentation, etc., that evidence the viability of the project in the medium/long term.

- Added value: in addition to being innovative, the relevant pilot project should provide real utility and/or added value to the financial sector, in particular (i) facilitating regulatory compliance by improving processes; (ii) providing mechanisms for better regulation or better financial supervision; (iii) improving the quality, accessibility and availability of financial services for users; and (iv) increasing efficiency for institutions and markets.

#### **04 — How do you apply for the Sandbox?**

Sandbox applications must be submitted online via the Spanish General Secretariat of the Treasury and International Finance.

Applications must be accompanied by an explanatory report of the project.

The General Secretariat of the Treasury and International Finance will forward the application to the relevant Regulator, depending on the nature of activities, namely the Bank of Spain for banking activities, / the Securities Exchange Commission or CNMV in the case of securities markets, and the General Directorate for Insurance and Pension Funds or DGSFP for insurance. The relevant regulator will then be responsible for evaluating the proposed project.

#### **05 — What are the main requirements to apply for the Sandbox?**

Please see answer to Question 3 above.

#### **06 — How many phases are there in the Sandbox and what is the duration of the Sandbox?**

Where a project receives a favorable ex-ante evaluation, the project promoter and the relevant supervisory authority must agree on a protocol of evidence within three months of the publication of the ex-ante evaluation.

If on expiry of that period no protocol has been agreed, the project shall lapse.

The protocol must lay down the testing rules and conditions applicable to the pilot project.

Once the test protocol has been approved, the promoter shall proceed to obtain the informed consent of the participants and to activate the system of guarantees and indemnities provided for. Once the competent supervisory authority is satisfied with the evidence provided on these matters, the tests forming part of the pilot project may begin according to the terms set out in the protocol.

#### **07 — What happens to the projects that have successfully passed the Sandbox?**

Once the firm has successfully passed the sandbox and has demonstrated that its technology is consistent, it may apply for the formal authorization procedure.

This new authorization procedure will benefit from different factors in terms of timing (the license will be granted in a shorter period of time) and potential waivers in terms of documentation requirements (Regulator is already familiar with the business model to be launched).

#### **08 — Other relevant information**

Without prejudice to the success generated, there are a number of issues that are generating some concern or controversy in the sector, such as, (i) the lack of standardized evaluating criteria of the projects proposed by the different regulators; (ii) the apparent lack of human resources on the part of the regulators to effectively manage and process each of the applications/projects; and (iii) the broad scope of the Sandbox, without having limited the nature of certain projects unrelated to the regulation.

## SWITZERLAND



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«Switzerland's sandbox regime  
- an exception area within the  
regulatory scope.»

### 01 — Do you have a Sandbox in place in your jurisdiction? If not, is there any draft law addressing this initiative in the short / mid-term?

In 2017, Switzerland enacted a specific provision in the Swiss Banking Ordinance (Bankenverordnung) providing for an exemption from the requirement to obtain a banking license for certain smaller businesses, specifically with the aim to enable the development of innovative technologies in the financial services industry. The exemption included in article 6 of the Swiss Banking Ordinance is also referred to as “regulatory sandbox” or “innovation space” (the “Sandbox”).

### 02 — What are the main benefits of the Sandbox?

Sandboxes allow certain fintech businesses to be exempted from the requirement to hold an authorization from the Swiss Financial Market Supervisory Authority (FINMA) even if by their activities (namely the acceptance of deposits from the public) such businesses would generally require regulatory authorization.

### 03 — Who can apply for the Sandbox?

Switzerland's financial market regulation is technologically neutral. Therefore the ability to benefit from the Sandbox regime is formally not limited to fintech businesses. Given the very restrictive scope in terms of maximum assets (see question 5 below) there is little doubt that the Swiss Sandbox regime targets start-up businesses.

### 04 — How do you apply for the Sandbox?

No specific application is required to benefit from the Sandbox regime. The Swiss Sandbox is designed as an exception area for activities in the financial services industry that would normally require regulatory authorization.

### 05 — What are the main requirements to apply for the Sandbox?

Financial institutions willing to operate within the scope of the Sandbox (i) may not accept deposits from the public or crypto-based assets of more than 1 million Swiss Francs, (ii) may not carry out interest rate differential business (i.e. no interest-bearing deposits); and (iii) must duly notify investors that they are not subject to FINMA supervision and that deposited assets are not covered by the regular deposit protection.

### 06 — How many phases are there in the Sandbox and what is the duration of the Sandbox?

There are no specific phases under the Swiss Sandbox regime. The exemption remains applicable as long as participants stay within the limitations outlined in question 5 above.

### 07 — What happens to the projects that have successfully passed the Sandbox?

Basically there is no successful passing of the Sandbox. If an institution operating under the Sandbox regime exceeds the CHF 1 million threshold, it must notify the FINMA within 10 days and submit an application for authorization under the Swiss Banking Act within 30 days.

## 08 — Other relevant information

In 2019 and in addition to the Sandbox regime a separate and simplified licensing category mainly targeting fintech businesses was introduced via a change in the Swiss Banking Act (Bankengesetz) (the “Fintech License”). Institutions operating under a Fintech License are allowed to collect assets up to CHF 100 million and still benefit from substantial flexibility compared to a regular banking license. This is why the Fintech License is often referred to as a “banking license light”. Despite the implementation of the Sandbox and the Fintech License, it is important to note that businesses may still often be subject to banking and other regulatory provisions. These include anti-money laundry laws, collective investment schemes laws and other financial services.

In line with Switzerland's approach to facilitate and support innovative activities in the financial services industry, the FINMA established a specific fintech-desk to deal with specific projects in the light of the regulatory framework. Accordingly, Switzerland' regulator is open for a very user-friendly interaction with fintech market participants.





## IV · Andersen Europe highlights

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## SPAIN



Bio Antonio Cañadas →

Bio José Ignacio Parellada →

### Antonio Cañadas and his Team join Andersen to Strengthen the M&A Practice in Madrid

Andersen has incorporated Antonio Cañadas as a partner in the M&A area in the Madrid office, who joins the firm together with his team from Squire Patton Boggs LLP to expand capabilities in the corporate field. The firm thus adds three new professionals in the transactional practice with the addition of Teresa García and Borja Echevoyen as senior associates.

The M&A team now has eight partners specialized in this practice, which is key for the firm both nationally and internationally. The Corporate department led by Partners Ignacio Aparicio and Ivo Portabales has 55 professionals, and its team offers comprehensive services in corporate transactions, providing a solution to the volume of transactions initiated last year and which is expected break records 2022.

[Read more](#) →

### Andersen Incorporates CHR Legal to Expand Capabilities in Barcelona

Andersen in Spain continues its expansion with the incorporation of a new firm in Barcelona, where CHR Legal joins the firm expanding capabilities in tax, corporate and litigation. With this incorporation, four partners join the firm, including founders José María Cusí, María Jesús Hernández and Juan Roda, as well as José Ignacio Parellada, a partner in the Corporate and M&A practice.

## ITALY



### Integrations

Andersen in Italy continues to expand its presence on the territory with the integration of two firms, aiming to provide best-in class services and increases its resources in the region. With 8 additional partners, Andersen in Italy consolidates its position on the market, welcoming two tax and consulting firms with a long-lasting tradition and a deep knowledge of their territories.

**Studio Palea** – a Turin-based firm, founded in 1962 and comprised of more than 80 people, recognized as one of the leaders in Piedmont. Studio Palea specializes in tax, corporate consulting and M&A, and assists Italian and international companies, investment funds and institutions, individual clients and leading entrepreneurial families.

**Menni e Associati** – a Brescia-based firm, founded in 1976 and composed by a team of 13 people, with a significant experience in corporate governance, wealth planning and corporate and capital structure. With this integration, Andersen strives for being a point of reference for entrepreneurs in the Brescia area, aiming to make companies even more aware of the opportunities connected to internationalization.

## SLOVENIA



Bio Aleš Lunder →

Bio Maja Šubic →

### **Aleš Lunder joins Andersen as new partner at Senica & Partners in Slovenia**

Aleš is an established and recognised expert in the Slovenian and international environment. He co-founded the law firms CMS Reich-Rohrwig Hainz and Schönherr in Slovenia, where he was a Managing Partner. He has more than 30 years of experience and has been involved in numerous complex international projects in the field of corporate law, M&A and restructuring as a lead partner. He is Chairman of the Supervisory Board of ETI Elektroelement, one of the five largest fuse manufacturers in the world, and Co-Chairman of the Corporate Ethics and Transparency Committee of AmCham Slovenia.

### **Senica, Andersen's Member Firm in Slovenia, promotes Maja Šubic as a partner**

Maja Šubic is an expert in Corporate/Commercial Dispute Resolution, M&A, Competition & Antitrust and Public Procurement. She graduated »cum laude« from the Faculty of Law of the University of Ljubljana and worked in attorneyship for more than ten years. Maja is a member of Andersen Global's European Mergers & Acquisitions Service line and Real Estate Industry Group, and a National Expert for the International Distribution Institute (IDI).

# Transactions

## **Andersen advises WinDelivery on its sale to Glovo**

Andersen, from the Corporate and M&A area, has advised WinDelivery on the sale of 100% of the company to Glovo.

With this transaction, Glovo expands its service in Spain and WinDelivery, which will continue to operate independently, takes a further step in its internationalization process.

[Read more](#) →

## **Andersen advises the European private equity fund Bregal Milestone on its entry into the capital of InfoCert**

Andersen has advised on the entry of the Private Equity fund Bregal Milestone, dedicated to technology growth investments, in the capital of InfoCert, owned by the Italian company Tinexta, a leading company in advanced digitisation.

With this transaction, Bregal Milestone now holds 16.09% of InfoCert's capital, leaving the door open to further increase its stake, and anticipates an investment of €100 million in the next year. With the capital inflow, InfoCert seeks to accelerate its expansion and internationalization process.

[Read more](#) →

## **Andersen advises Swedish company Pet Media Group on the acquisition of the platform MundoAnimalia**

Andersen, through its Corporate and M&A department, has advised the Swedish company Pet Media Group, a leading operator of online marketplaces for pets and related goods and services, in the acquisition of the Spanish platform MundoAnimalia, launched by Intercom.

With this deal, Pet Media Group, lands in Spain, adding MundoAnimalia to its portfolio of assets, which includes other platforms in different countries such as the UK, Italy, Holland and Sweden.

[Read more](#) →

## **Andersen advises Grupo Angal on the acquisition of a Mercedes-Benz subsidiary**

Andersen's Corporate and M&A department has advised Grupo Angal, a company dedicated to the automotive sector, on the transaction by which it has acquired the Valencian subsidiary of the Mercedes-Benz automotive group.

The agreement, which will come into force in January and will allow Mercedes-Benz to continue its activity in Valencia, will materialize with the creation of the new company Valencia Distribuidora Angal Automoción S.L.U., which will operate under the trade name Valdisa and will include within it the activity of three centers.

[Read more](#) →

## **Andersen advises DAIL Software on the sale of a 50% stake to Informa D&B**

Andersen, from its Corporate and M&A department, has advised DAIL Software, a company dedicated to the development of solutions with Artificial Intelligence and NLG to automate and improve corporate processes, in the sale of 50% of the company to Informa D&B, dedicated to the provision of business information.

Through this operation, which will allow Informa D&B to modernize its range of products and services, both the company and its subsidiary CTI Soluciones will be able to market DAIL Software's products, such as intelligent document and data capture and classification applications.

[Read more](#) →

## **Andersen advises Solaer on the sale of 15 photovoltaic projects in Italy to Matrix Renewables**

Andersen, from the firm's Energy area involving both M&A and Tax teams, has advised Solaer on the sale of 15 photovoltaic projects in Italy to the Italian subsidiary of Matrix Renewables, the renewable energy platform of the American fund TPG Capital.

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The Spanish company Solaer, dedicated to the promotion, development, construction, operation and maintenance of solar parks in an integrated manner, thus gives a new boost to its international strategy and, in particular, to the business in Italy, where it already has a solar plant. It is currently present in Spain, Italy, the United Kingdom, Israel, India, Portugal, Japan, Mexico, the United States, Chile and Colombia.

[Read more](#) →

### **Andersen advises EGM on sale of stake in photovoltaic parks to Shark Power**

Andersen, through the M&A team specialized in the Energy sector, has advised Endurance Green Management, an energy company specialising in renewable energies, on the sale of a significant stake that the company managed in seven photovoltaic parks, which has been acquired by Shark Power, a company also dedicated to the energy sector.

Following the completion of this transaction, the combined power of the various projects that make up these photovoltaic parks will amount to 500 MW.

[Read more](#) →

### **Sayenko Kharenko advises Nordcurrent on acquisition of Ukrainian game development company in Dnipro**

Sayenko Kharenko has acted as Ukrainian legal counsel to Nordcurrent, one of the largest video game developers and publishers in Lithuania, providing extensive transactional support on the acquisition of Ukrainian game development company.

[Read more](#) →

### **Sayenko Kharenko advises Avinga on the acquisition of Perfectial Group**

Sayenko Kharenko has acted as Ukrainian legal counsel to Avinga, an international IT and digital transformation technology group, in connection with the acquisition of Perfectial Group.

[Read more](#) →



# Transactions

## **Sayenko Kharenko helps a global top-tier gaming company Yolo Group enter Ukrainian market**

Sayenko Kharenko acted as a 'one-stop shop' legal advisor to the global top-tier gaming company Yolo Group in connection to its entering Ukrainian market.

[Read more](#) →

## **Sayenko Kharenko advised Getin Holding S.A. on the sale of Idea Bank Romania Group to BANCA TRANSILVANIA S.A.**

Sayenko Kharenko has acted as lead legal counsel to Getin Holding S.A, in relation to the sale of 100 per cent of the share capital of the group of Romanian companies operating under IDEA brand: Idea Bank Romania, Idea Investment, Idea Leasing IFN and Idea Broker de Asigurare to Banca Transilvania S.A.

[Read more](#) →

## **Sayenko Kharenko advises on the debut USD 825 million ESG Bond issue by Ukrenergo**

Sayenko Kharenko has acted as Ukrainian legal counsel to BNP Paribas, Deutsche Bank, Goldman Sachs International and Ukreximbank, managers of the debut USD 825 million Eurobond issue by NPC Ukrenergo, the state-owned electricity transmission system operator.

[Read more](#) →

## **Sayenko Kharenko advises Avenga on the acquisition of Perfectial Group**

Sayenko Kharenko has acted as Ukrainian legal counsel to Avenga, an international IT and digital transformation technology group, in connection with the acquisition of Perfectial Group.

[Read more](#) →

## **Sayenko Kharenko advises Getin Holding S.A. during execution of the sale-purchase agreement in relation to Idea Bank Ukraine with FUIB**

52 | Sayenko Kharenko has acted as legal counsel to Getin Holding S.A. in the preparation, negotiation,

and execution of a sale and purchase agreement in relation to the sale of a 100 per cent stake in "Idea Bank" JSC (Ukraine) to the First Ukrainian International Bank JSC.

[Read more](#) →

## **Sayenko Kharenko advises EBRD on EUR 25 million equivalent loan to ProCredit Bank**

Sayenko Kharenko has acted as Ukrainian legal counsel to the European Bank for Reconstruction and Development (EBRD) on providing EUR 25 million equivalent loan to ProCredit Bank.

[Read more](#) →

## **Andersen in Italy with FB&Associati, the first benefit company in public affairs**

With over 25 years of experience in the field, the consulting firm FB&Associati becomes the first benefit company in the world of public affairs with the support of Andersen, choosing to integrate common benefit purposes and operating in a responsible, sustainable and transparent way at a social level.

The Andersen team has worked on the definition of the modification of the corporate purpose of FB&Associati and the Andersen's team worked on the definition of the modification of FB&Associati's corporate purpose.

The consultancy provided was also enriched by the interdisciplinary professionalism of the Sustainable Innovation Desk: a working group set up by Andersen last year to assist clients in understanding the possibilities connected with the promotion and implementation of social impact and civil responsibility policies within the current regulatory framework.

The Andersen working team was led by Maricla Pennesi, partner and European Tax Coordinator, with the support of partners Francesco Marconi and Francesco Inturri, guiding the Sustainable Innovation Desk.

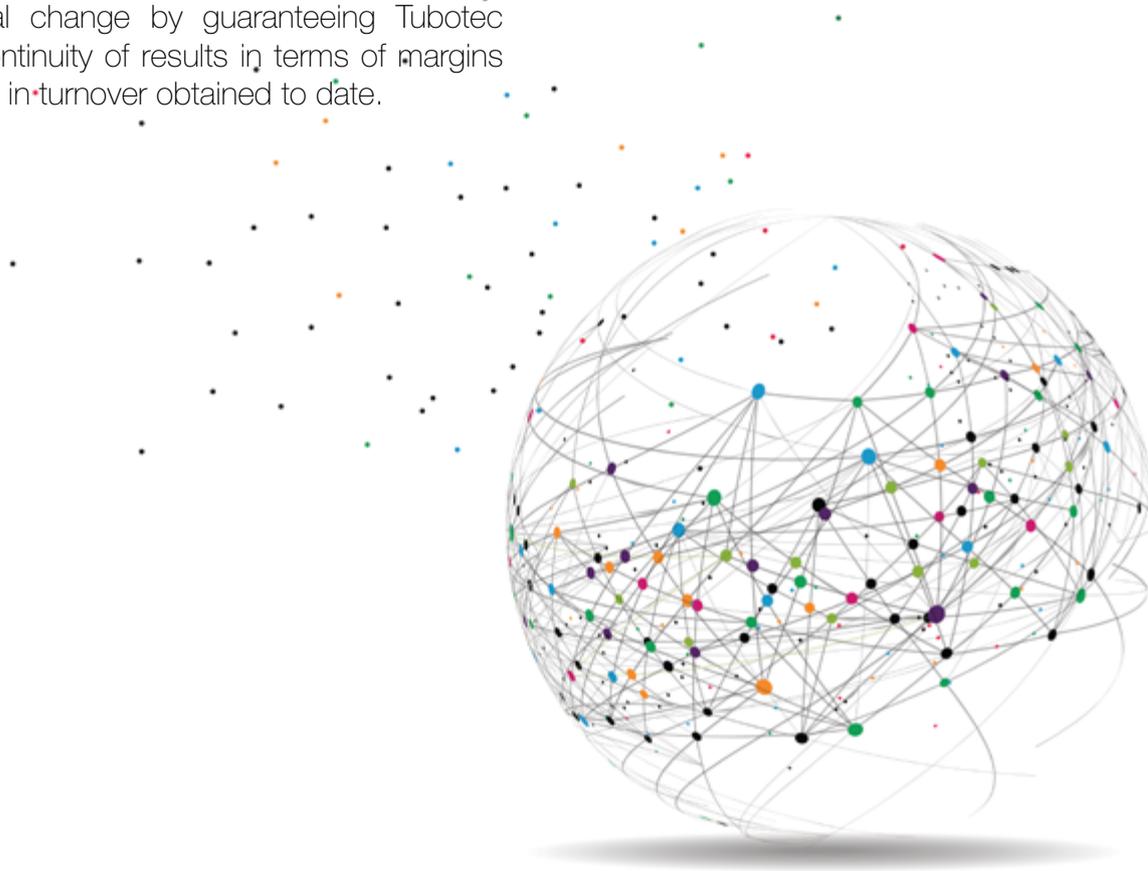
## Andersen in Italy in the extraordinary operation for Tubotec

Andersen assisted the Casasola family in the contractual and fiscal aspects related to the sale of the shares of the company Tubotec Srl of Varmo (in the Northeast of the country), specialized in the transformation of copper tubes and in the production of commercial and industrial refrigeration systems.

The team led by Filippo Brass, partner and chartered accountant from Venice, and assisted by Serena Quaranta, director of the Advisory Services department, took care of the valuation, negotiation and structuring aspects of the transaction, as well as supporting the buyer's due diligence.

Always on the sellers' side, the lawyers and partners of Andersen Nicole Frigo and Antonio de Paoli assisted the Casasola family in the contractual and legal aspects of the operation.

The acquisition is aimed at supporting the generational change by guaranteeing Tubotec with the continuity of results in terms of margins and growth in turnover obtained to date.



# Rankings



## CHAMBERS GLOBAL 2022

**Dr. László András Kelemen, Managing Partner and co-Head of Andersen in Hungary, is ranked in Chambers Global 2022 as leading individual in Commercial, Corporate and M&A practice**

László András Kelemen assists clients with the corporate aspects of liquidation proceedings, including winding-up procedures. An interviewee describes him as a "very calm lawyer" who is "experienced and talented."

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**Țuca Zbârcea & Asociații, Andersen's Collaborating Firm in Romania, ranked in Chambers Global/Corporate and M&A as well as Banking and Finance, with Cătălin Băiculescu and Mihai Dudoiu top ranked in the respective areas**

Chambers Global 2022 singles out Țuca Zbârcea & Asociații for its expertise in Corporate and M&A, as well as Banking and Finance.

The legal directory also praises the Romanian law firm for its International & Cross-Border Capabilities: "The team remains a popular choice for clients seeking coordinating counsel in cross-border mandates, particularly within the Romanian-centred CEE regional remit. It is known to cooperate seamlessly with international counsel on complex matters."

Corporate/M&A Partner Cătălin Băiculescu and Banking and Finance Partner Mihai Dudoiu have both been recognized for their impressive activity in these areas.

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**Chambers Global 2022 highlights Andersen in Spain Corporate / M&A practice, and includes Ignacio Aparicio in Corporate/M&A, and Foreign Expert in Cuba and Miguel Prado in Financial Regulation**

In the Corporate / M&A area, the directory highlights for the first time the Partner at Andersen and head of the Corporate and M&A practice in Europe, Ignacio Aparicio, which is ranked in Band 4 in Spain and is also listed as a Foreign Expert in Cuba as well as in the individual ranking of General Business Law: International Firms, an area in which he is ranked in Band 3. Specifically, the clients interviewed by the Directory emphasize that he is "a brilliant lawyer who adjusts easily to different, quickly changing scenarios and has the ability to propose adapted, agile and imaginative solutions."

The guide also includes for the first time in the ranking Miguel Prado, Partner in Spain and head of Banking and Finance in Europe, who is placed in band 4 in the Financial Regulation Services category and notes that "he is able to understand us as clients."

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**Sayenko Kharenko Corporate and M&A practice ranked in Band 1 according to Chambers Global 2022. Partners Vladimir Sayenko and Oleksandr Nikolaichyk recognized as leading individuals in this area**

Sayenko Kharenko's M&A team is in the top tier as a result of high visibility on market-leading instructions and exceptional market support. The team is regularly instructed by notable Ukrainian,

regional and international companies. This market-leading team is active across an array of sectors, most notably in the financial services, agriculture, infrastructure and energy industries.

Chambers Global 2022 recognized partner Vladimir Sayenko as an Eminent Corporate/M&A Practitioner. Partner Oleksandr Nikolaichyk moves up the rankings following excellent client feedback and visibility on notable deals.

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## CHAMBERS LATIN AMERICA 2022

### Andersen in Spain strengthens its position among the best law firms for international advice in Cuba in Chambers Latin America 2022

The legal directory Chambers & Partners highlights Andersen in Spain as one of the main international firms in the Corporate/Commercial area of the Cuba ranking included in the Chambers Latin America 2022 guide, which also recognises Ignacio Aparicio, partner of the firm and head of the Cuban desk, in the individual ranking.

For the second consecutive year, the Cuban desk of Andersen is ranked in Band 2 of the 'Corporate/Commercial: International firms in Cuba' section of the Chambers & Partners ranking, which has valued the firm's experience, knowledge and matters to highlight the firm in its ranking. In addition, the firm has been shortlisted as Firm of The Year for the Chambers Latin America Awards 2021, in the Cuba section (International Counsel).

Chambers Latin America 2022 also highlights Ignacio Aparicio, partner in the Corporate and M&A practice and head of Andersen's Cuban desk, who is ranked in Band 3 of the individual ranking. Clients interviewed by the directory highlight Aparicio's involvement as "an excellent corporate lawyer who has given us great support throughout our work".

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## V · Focus on

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# Approaching a Single EU FinTech Market

On 8 March 2018 the European Commission launched an Action Plan on how to harness the opportunities presented by technology-enabled innovation in financial services (FinTech). In the same year, the European Banking Association (EBA) created the FinTech Knowledge Hub to bring together regulators, technology providers, market incumbents and FinTech firms to share information and fill a perceived knowledge gap.

Most initiatives were positive for the EU financial market. However, more ambition is needed if Europe expects to become a global FinTech hub and compete with other players operating in this disruptive sector, including big techs operating all around the world.

To do so, several European FinTechs are asking for the creation of a Single EU Market FinTech in an effort to attract investment to the EU market. For this purpose, the European Parliament has announced a sector meeting in 2022 to discuss regulatory challenges in digital finance on such topics as crypto assets, EU sandbox, payments and openbanking, and to start creating a harmonized and competitive hub in Europe.

To achieve this goal, there are some key components to take into account:

- **Regulatory enablers:** The European Parliament must issue legislation that could be applied to all EU countries on a harmonized basis, ensuring that EU FinTechs may operate without potential local limitations (e.g. local regulatory limitations when outsourcing data to e-cloud). In this sense, the European Parliament has recently issued and developed regulations (such as the PSD2 and/or Crowdfunding initiatives) addressed to foster competition and offer a harmonized landscape for new entrants.

The latter result much more necessary in a scenario where FinTech companies operates anywhere in Europe (i.e. their business are not usually limited to a single country).

- **EU Level Innovation hubs:** Sandboxes are aimed at regulatory and supervisory clarity, and conceived as a very useful tool for authorities to get to grips with their novel business models and their risks, thus helping them in their efforts of filling existing loopholes in the regulatory framework and removing obstacles to innovation (EBA, 2019). Sandboxes can be seen as a tool for more evidence-based policy interventions, since authorities can test beforehand the adequacy of different risk mitigation measures

European countries have launched more than 20 innovation hubs and more than 6 local regulatory sandboxes to assist companies to develop innovative services in the financial sector. The clear next step would be to replicate this work at the European level by focusing on a EU innovation / hub / sandbox.



In fact, the Joint Committee's 2022 agenda is to promote coordination and cooperation among national innovation facilitators to foster the scaling up of innovation in the EU financial sector and to promote a common response to new technologies.

- Collaboration between regulators: in addition to this legislative exercise of the European Commission, there must be a clear and ongoing collaboration between regulators (particularly local) at the regulatory level. That understanding is key to fostering this community environment through the future European FinTech market.

We understand that the main benefits to be expected from this legislative task are: (i) enhancing supervisory understanding of emerging technologies, which can inform an adequate policy response to FinTech and (ii) for innovators, they can help reduce regulatory uncertainties and provide clarification on regulatory and supervisory expectations.



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