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Finanstilsynet

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FT Lab - Eligibility criteria

As part of the government's Growth Strategy and Finanstilsynet's (the Danish FSA) own 2020-Strategy, Finanstilsynet has created "FT Lab". This entity is intended to support the use of new technologies within the financial sector. Finanstilsynet has defined a set of eligibility criteria, which companies that wish to be considered for entering FT Lab, should use.

Purpose

The eligibility criteria are the foundation for assessment as to which the technology and/or business model qualifies the company for access to the FT Lab. Fulfilment of all criteria is not a necessity, but Finanstilsynet will make an overall assessment of the applicant in relation to all criteria. After the initial selection, Finanstilsynet will make a final selection of the companies that will be invited to join FT Lab.

It is especially important that the companies are ready to test the innovation. This demands that the companies can show a concrete target, proposal for test plan, and that the stage of development for the innovation is adequately progressed and mature for testing.

The specific criteria

Finanstilsynet will evaluate applications for FT Lab based on the following eligibility criteria:

- The company is directly or indirectly included in the financial regulation
- The technology or business model is new
- The service or product is beneficial for society and/or consumers
- There is a need to enter FT Lab
- The company is ready to take part in the FT Lab testing procedure

In the table below, the factors, which indicate the extent to which an application satisfies the eligibility criteria, are elaborated upon. The table contains examples on factors that Finanstilsynet will include in its assessment.

Criteria	Key question	Examples of positive factors	Examples of negative factors
Is the company directly or indirectly included in the financial regulation?	<ul style="list-style-type: none"> Does the innovation involve a financial activity? 	<ul style="list-style-type: none"> The innovation involves a financial service or product. The financial regulation covers the activity. The innovation is a technical service that supports delivery of financial activities. 	<ul style="list-style-type: none"> The innovation is not a financial service or product. The financial regulation does not cover the activity.
Is the technology or business model new?	<ul style="list-style-type: none"> Does the innovation or business model improve an existing financial activity or is it new? 	<ul style="list-style-type: none"> There are no comparable services or products in the financial market. Based on desk research, Finanstilsynet assesses that the technology or business model is innovative. 	<ul style="list-style-type: none"> There are multiple similar products. Based on desk research, Finanstilsynet does not assess the service or product as innovative. A well-known service or product promoted as new.
Is the service or product beneficial for society and/or consumers?	<ul style="list-style-type: none"> Does the innovation create identifiable benefits e.g. by providing cheaper or more transparent solutions? 	<ul style="list-style-type: none"> The innovation may create possible services or products that are better, cheaper, more effective or of better quality. The company has identified possible consumer risks and proposes mitigating solutions The innovation or business model contains suitable consumer protection 	<ul style="list-style-type: none"> No evident benefits. Opaque business model. Negative impact on consumers, the market or the financial system. The innovation or the business model does not contain suitable consumer protection.
Is there a need to enter into FT Lab?	<ul style="list-style-type: none"> Does the company actually need to be included in the FT Lab? 	<ul style="list-style-type: none"> There is no clear fit between the innovation and the financial regulation. There is a clear testing need for the service or product on the real market. The company has no alternative ways to involve Finanstilsynet or to initiate testing. 	<ul style="list-style-type: none"> There is no need for testing to accomplish the goal of applying to FT Lab. The company is better or more effectively helped by other initiatives directed towards fintechs. The company can execute the test without the help of Finanstilsynet.

Is the company ready to take part in the FT Lab testing procedure?	<ul style="list-style-type: none">• Is it possible to test the innovation?	<ul style="list-style-type: none">• The test of the innovation at its stage of development is possible• The company has adequately thought through relevant ICT and data security issues.• The company has access to necessary competencies and resources to lead the project prudently.	<ul style="list-style-type: none">• The purpose of testing is unclear.• Test plans are incomplete.• The company does not have the necessary resources or competencies to lead the project prudently.
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