

ESAs publish joint report on regulatory sandboxes and innovation hubs

□The number of innovation facilitators in the EU has grown rapidly in recent years. As at the date of the report, 21 EU Member States and 3 EEA States have established innovation hubs and 5 EU Member States have regulatory sandboxes in operation. A comparative analysis of these national innovation facilitators is set out in the report and, based on this analysis, a set of best practices has been prepared. The best practices are intended to: (i) promote consistency across the single market in the design and operation of innovation facilitators; (ii) promote transparency of regulatory and supervisory policy outcomes from arising from interactions in the context of innovation facilitators; and (iii) facilitate cooperation between national authorities, including consumer and data protection authorities.

The ESAs also set out options, to be considered in the context of future EU-level work on innovation facilitators, to promote coordination and cooperation between innovation facilitators which would support the scaling-up of FinTech across the single market.

Legal basis and background

The European Commission's March 2018 [FinTech Action Plan](#) mandates the ESAs to carry out an analysis of innovation facilitators and to identify best practices.

The ESAs have prepared the report pursuant to this mandate and to Article 9(4) of the founding regulation for each of the ESAs which requires each to establish a committee on financial innovation 'which brings together all relevant competent national supervisory authorities with a view to achieving a coordinated approach the regulatory and supervisory treatment of new or innovative financial activities and providing advice ... to present to the European Parliament, the Council and the Commission'.