Designing regulatory sandboxes: hardly child’s play
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Regulatory Sandboxes

Article 53

“controlled environment that facilitates the development, testing and validation of innovative AI systems for a limited time before their placement on the market or putting into service pursuant to a specific plan. This shall take place under the direct supervision and guidance by the competent authorities with a view to ensuring compliance…”
Traction across EU

• Emerging technologies: AI, blockchain, IoT,…

• Wide range of sectors: fintech, transport, energy, telecommunications, health,…

• Policy-level: surveillance solutions in fight against Covid-19 (Council of Europe); establishing a framework for data governance (EC, European Data Strategy); Better Regulation toolbox
How does it work?
Evaluation

Advantages

• Signal for innovators
• Symbiotic increase of knowledge
• Adequate rules, supervision and enforcement
• Compliance by design
• Reduced time to market
• Early warning system
• Horizon risk scanning

Risks/concerns

• Risk of fragmentation/Lack of standardization
• Unwilling test consumers
• Lack of necessary representation and scale
• Trade secrets
• Cross regulatory problem
The way forward

• Need for coordination, framework in terms of governance and supervision
  • Modalities and conditions of operation of AI regulatory sandboxes in delegated acts

• European AI Board: best practices, involvement of national competent authorities

• Large scale reference testing and experimentation facilities (TEFs) in Digital Europe Programme: technical support and testing facilities, help develop Codes of Conduct

• DIH and Federation of DIHs: 1) awareness and priority access for SMEs, 2) harmonization of national sandbox rules/interplay national and EU sandboxes, 3) multi-jurisdictional sandboxes, need for sandbox standardization to enable cross-border provision of services