Regulatory Sandboxes – Enabling Innovation and Advancing Regulation

Current as at: June 2020

Regulatory sandboxes as facilities for testing innovation and regulation ... 
> enable the testing of new technologies and business models
> are operated for a specific length of time, usually cover a limited area and make use of regulatory leeway, especially in the form of experimentation clauses
> help to review existing regulations and test out new ones

Regulatory sandboxes are of key importance because ... 
> they create scope for developing ideas and innovations
> they help Germany position itself as a pioneer for innovations testing
> an efficient and modern legal framework must be able to cater for technological change that benefits consumers, companies and society
> they make it possible to ensure that 'smart' regulation is wide enough to cover new developments, is effective, pro-innovation and accepted by the general public and also provides an appropriate level of protection
> they are a cross-cutting instrument that can be used for various fields of innovation and technology, such as modern mobility and logistics solutions, eHealth, the sharing economy, digital administration, AI, blockchain and energy research

We are working to ... 

systematically establish regulatory sandboxes as a key instrument of economic and innovation policy in the age of digitalisation. We want to help create regulatory leeway for tests and instigate a culture of testing while raising the level of acceptance for digital innovations. For this purpose, we are working together closely with experts from policymaking and the authorities, companies and associations, the research community and civil society.

In December 2018, the Federal Ministry for Economic Affairs and Energy published its Regulatory Sandboxes Strategy, which consists of three pillars:

Pillar I
Pro-innovation Regulation, Flexibility
> Fostering (greater) use and development of experimentation clauses
> Reviewing further instruments to deliver flexibility

Pillar II
Information and Networking
> Handbook for Regulatory Sandboxes
> Regulatory Sandboxes Network as a forum for frequent events
> Gov’t Working Group
> Website and videos

Pillar III
Launch and Support
> Frequent regulatory sandbox competitions
> Pilot projects
> Support for existing regulatory sandboxes (SINTEG*, energy research etc.)

* 'Smart Energy Showcases – Digital Agenda for the Energy Transition', a programme by the Federal Ministry for Economic Affairs and Energy which operates on the basis of an experimentation clause to address technical, economic and regulatory challenges linked to the energy transition.
Milestones ...

> **Awarding of the 'Regulatory Sandboxes Innovation Prize'**
  On 26 May 2020, the 'Regulatory Sandboxes Innovation Prize' was awarded for the first time to nine winners from a total of 125 submissions in the three categories 'Outlook', 'Insights' and 'Looking back'. The aim of the Regulatory Sandboxes Innovation Prize is to throw a spotlight on outstanding regulatory sandboxes, honour innovative ideas and encourage further projects.

> **Legal analyses, particularly of experimentation clauses**
  Ongoing legal analyses of general and model experimentation clauses, international approaches to experimental law-making, and data protection rules.

> **Publication of the first edition of the 'Handbook for Regulatory Sandboxes'**
  The handbook, published in July 2019, shows the variety of ways in which regulatory sandboxes are used and provides basic information, guidance and practical examples.

> **Founding of the Regulatory Sandboxes Network**
  The network includes all the stakeholder groups (commerce, administration, academia, civil society) and now has more than 500 members.

To find out more, please visit [www.reallabore-bmwi.de](http://www.reallabore-bmwi.de). If you want to tell us your idea for a pilot project, become a member of the regulatory sandboxes network, or ask us a question, please write to us at [reallabore@bmwi.bund.de](mailto:reallabore@bmwi.bund.de).