



October 08, 2021

Regulatory Sandbox – Announcement of Theme for Fourth Cohort and Review of Enabling Framework

The Reserve Bank has undertaken various initiatives to realise India's vision on payment systems by fostering an ecosystem that enables safe, quick and affordable digital payments. In this context, one of the challenges has been to minimise instances of financial frauds, which not only lead to apprehension among new users in adoption of digital payments but also make it difficult for the banks to retain customers who experience such frauds. There is also a lag between occurrence and detection of frauds.

2. FinTechs have the potential to play a pivotal role in strengthening fraud governance, reduce the response time to frauds and the lag between occurrence and detection of financial frauds. This is expected to safeguard consumer interests and minimise the losses from such frauds. As announced in the [Statement of Developmental and Regulatory Policies on October 8, 2021](#), it has been decided to select 'Prevention and Mitigation of Financial Frauds' as the theme for the Fourth Cohort under Regulatory Sandbox, the window for which shall be announced in due course.

3. Further, based on the experience gained from the First and Second Cohorts and the feedback from stakeholders, the 'Enabling Framework for Regulatory Sandbox' has been [updated](#) to include 'On Tap' application facility for themes of closed cohorts. Accordingly, the theme 'Retail Payments' is now open for [application](#). This 'On Tap' facility is expected to help in continuous innovation and engagement with innovators and proactively respond to the dynamics of rapidly evolving FinTech scenario.