

# FCA Innovation Pathways

## Eligibility Criteria

### Criteria

#### In scope



#### Key questions

- Are you doing something that is within our remit?
- Will your customers be in the UK?

#### Positive indicators

- ✓ Your proposal is intended for the UK market and customers
- ✓ The relevant activity is regulated by us or may be used by firms we regulate

#### Negative indicators

- ✗ Your innovation doesn't appear to be intended for use in the UK

#### Geniune innovation



- Are you doing something that's ground-breaking or significantly different? This could be something completely new, or it could be a new market or a new version of an existing model

- ✓ Desk research produces few or no comparable examples of innovation in the market
- ✓ Your proposal is a novel way of providing an existing service (for example, a digitised version of an older model)
- ✓ You are offering a model we wish to encourage, such as automated advice for lower-income consumers

- ✗ There are numerous examples of similar offerings already on the market
- ✗ Your proposal appears to be only superficially different from existing services

#### Consumer benefit



- How does your proposal help consumers (either individuals or businesses)?
- How is it an improvement on existing services?
- How will you protect consumers from any risks your model poses?

- ✓ Your business will provide services cheaper, quicker, more securely, higher quality or more reliably
- ✓ You've thought about your target market, identified risks and have thought about how to protect consumers
- ✓ Your proposal will promote competition (for example, by making it easier to enter the market, or making it easier to comply with our rules)
- ✓ Your business model promotes diversity and inclusion (for example, targeting underserved or unserved consumers)

- ✗ Your proposal has a potential detrimental impact on consumers, markets or the financial system
- ✗ Your proposal is more expensive than existing services, is slower, and has no corresponding benefits that make up for this
- ✗ Your proposal looks designed to circumvent FCA rules

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#### Readiness



#### Key questions

- Have you thought about how your proposition works with our rules?
- Have you carried out any background research into the regulations that might apply to your business?
- Can you explain how your business will work?
- Do you have a clearly defined issue we can help you resolve?

#### Positive indicators

- ✓ Your business can be clearly and coherently described, including how it works, how it makes money, and what your market will be
- ✓ You have made a good faith effort to research and understand how our rules apply to your model
- ✓ You have a specific issue you are seeking our help with

#### Negative indicators

- ✗ Your proposal is not clearly defined
- ✗ You have made no effort to undertake background research or understand our rules

#### Need for innovation support



- Do you have a genuine need for regulatory support through the Innovation Pathways?

- ✓ The innovative nature of your business means that it may be unclear how our rules apply to your firm (for example, whether you need to be authorised or what kind of authorisation is needed)
- ✓ Your business has no alternative means of engaging with the FCA
- ✓ Your innovation does not easily fit the existing regulatory framework
- ✓ Your question is one that your existing FCA Supervisor (if you have one) can't answer

- ✗ You have a vague or broad question (for example 'please help me identify all the rules I need to comply with')
- ✗ You are asking us to endorse or to promote your business
- ✗ Your queries would be more suitable for a compliance consultant (for example, 'can you help me draft my compliance manual')