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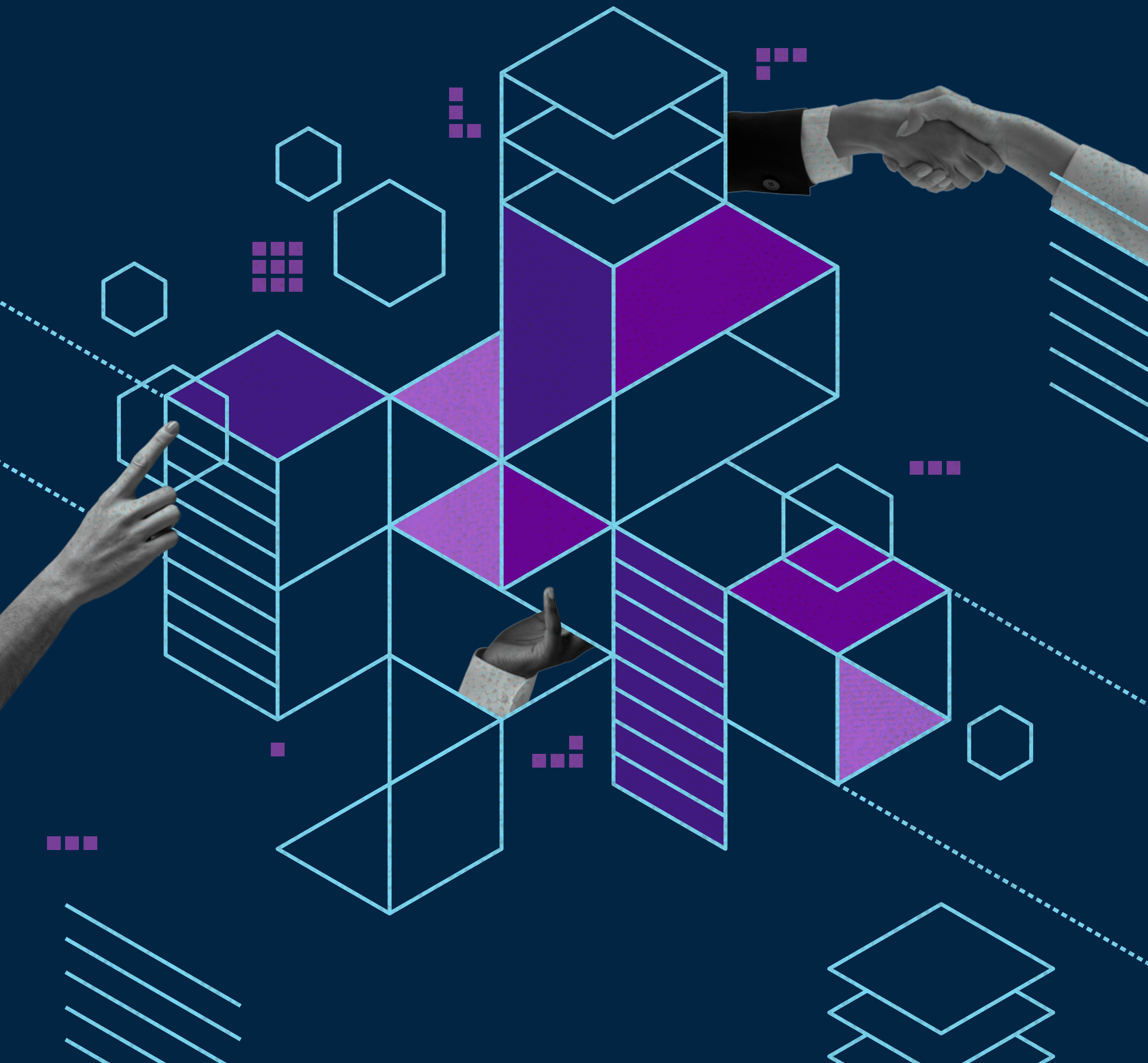
AI Regulatory Sandbox Business Participation Checklist



AI Regulatory Sandbox Business Participation Checklist

Getting the most out of AI regulatory sandboxes

A practical guide for businesses considering participation in AI regulatory sandboxes.

This practical resource provides a checklist for companies considering whether to participate in AI regulatory sandboxes. It can be used as a conversation starter with your board, a practical guide for in-house policy teams or a sandbox introduction guide for a start-up or SME. This is your quick-reference guide for before, during and after participation in the sandbox.

Who is this for?

Boards • Executives • Legal & Compliance Teams
Product Teams • Start-ups • SMEs

Definitions

What is an AI Sandbox?

A controlled learning environment in which AI systems, use cases, or related governance approaches are tested under defined conditions, timeframes, and safeguards, enabling iterative experimentation, evidence generation, and shared learning among multiple stakeholders to inform both innovation and governance.

What is an AI Regulatory Sandbox?

An AI sandbox centered on regulatory learning or compliance, designed to generate evidence that informs existing or future rules, policies, standards, and guidance as they relate to AI.

Why join an AI Regulatory Sandbox?

Regulatory validation	Enhanced business legitimacy	Reduced regulatory uncertainty	Reduced compliance risks
Controlled pre-deployment testing	Regulatory flexibility	Structured engagement with regulators	Visibility within the innovation ecosystem

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How to use this checklist

- ✓ Assess whether an AI regulatory sandbox is right for your organization
- ✓ Prepare for participation in an AI regulatory sandbox
- ✓ Engage effectively with regulators
- ✓ Maximize commercial and regulatory value throughout the sandbox lifecycle

What is the typical process for participants of an AI Regulatory Sandbox?

1 AI sandbox selection and application

- Identify an AI sandbox that aligns with the organization's business needs
- Apply
- Application accepted

2 Process definition and organization resource alignment

- Sign NDA or other terms of engagement
- Attend a cohort onboarding session

3 Sandbox implementation

- Attend first meeting to identify key questions or testing areas of mutual interest to the organization and regulators and agree on testing plan
- Attend a series of workshops/meetings to conduct the testing plan

4 Learnings and recommendations

- Obtain exit report with regulatory guidance and details (this report is not for public consumption and can contain sensitive information)
- Regulatory authority publishes report with wider regulatory learnings and relevant guidance for the ecosystem

Typical duration between 3-6 months

How can I successfully leverage the opportunity?

Before participation

Assess your readiness and business alignment with sandbox testing objectives before applying.
Carefully review the sandbox's eligibility criteria and expectations, and evaluate your organization's business needs, use case, product maturity, team availability, governance capacity and financial viability for the duration of the project to determine fit. The closer the match between the sandbox's objectives and your company's development stage and testing needs, the greater the likelihood of a meaningful and productive experience.

Strengthen your capabilities in advance.
If justified, invest in building internal processes, responsible AI practices, and partnerships (e.g., with universities or innovation hubs) to improve your readiness for participation. Also ensure or prepare to have qualified personnel across multiple functions (technical, legal, and operational) who can actively participate in the sandbox testing process. Effective involvement demands continuous commitment, expertise, and the flexibility to adjust the product based on feedback gathered throughout the testing phase.

Engage proactively with sandbox hosts and seek explicit written assurances about data handling and IP.
Use application and participation processes to signal your needs, constraints, and context, helping regulators better understand how to design more accessible and effective sandboxes. Seek explicit written assurances about how your data, findings, and intellectual property will be handled, stored, and disclosed. Assess the sandbox's reporting obligations early and do not assume confidentiality is implied, ensure it is clearly defined in the governance framework. Align on scope of publicly released reports and whether participation will be anonymized or attributed.

Define your learning goals, innovation priorities, and internal and external metrics before committing.
Priorities can vary from understanding regulatory expectations and testing the ethical or legal robustness of a technology, to exploring potential applications of AI under new governance frameworks, market access, data access, or boosting visibility and reputation. This is particularly useful in highly regulated industries like finance or healthcare. Defining these objectives and their measurements, both internally and externally early ensures participation is strategic and aligned with your innovation roadmap.

Frame your objectives within your role in the AI value chain.
Firms operating at different layers - such as data provider, infrastructure, model development, or application deployment - face distinct technical challenges and regulatory expectations. Clarifying your position helps define more targeted sandbox objectives and surface dependencies and shared responsibilities across partners, suppliers, and clients.

During participation

Maintain a clear internal protocol for what information is shared within the sandbox and under what conditions.
Define internally what information about your products and services could be disclosed to the sandbox host, or publicly to third parties. Safeguarding competitive advantages and proprietary information requires active management throughout the sandbox process. Engage proactively with the sandbox host to ensure continued alignment on the purpose and scope of public-facing outputs including reports, press releases, and case studies.

Approach sandbox participation as a trust-building exercise in both directions.
Companies that engage openly and in good faith are better positioned to shape the regulatory dialogue, build credibility with policymakers, and contribute to governance frameworks that reflect their operational realities.

Assess and monitor the potential financial and associated costs of participation on an ongoing basis.
If resource strain becomes significant, engage proactively with the sandbox host to explore whether simplified reporting, phased commitments, or other adjustments are possible.

After participation

At the close of the sandbox, conduct a structured internal evaluation of the extent to which your learning goals and innovation priorities were met.
Assess the regulatory clarity gained, feedback received, relationships built with regulators and co-participants, and any tangible outputs such as formal opinions, exit reports, or guidance notes.

Use sandbox outcomes to inform your broader governance and innovation roadmap.
Insights gained during participation, whether about regulatory expectations, technical risks, or ecosystem dynamics, should feed directly into product development, compliance strategy, and future regulatory engagement decisions.

If the sandbox has not produced the regulatory clarity or formal outputs expected, engage with the sandbox host and relevant regulators.
Ask for clearer follow-up mechanisms — such as presumption of conformity notes, formal regulatory opinions, or documented guidance — that translate experimentation into actionable compliance benefits.

Consider sharing learnings or participating in sandbox-published case studies where appropriate.
Contributing to public knowledge builds credibility, strengthens your position in regulatory dialogues, and helps shape the standards and frameworks that will govern your market.

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The Datasphere Initiative is a think and do tank that catalyzes meaningful dialogues and co-creates actionable and innovative approaches to respond to data challenges and harness opportunities across borders. Our mission is to equip organizations to responsibly unlock the value of data for all.

For more information, visit www.thedatasphere.org or contact info@thedatasphere.org.