



Arizona FinTech Sandbox Application

Instructions:

To be considered for admission into the Sandbox, Applicants must complete this form in full and pay the \$500 application fee. To submit, either upload the completed application along with any other documentation at www.azag.gov/fintech/application or mail the documents to the address listed below:

Fintech Sandbox
c/o Civil Litigation Division
2005 N Central Ave.
Phoenix, AZ 85004

If there is not enough room to answer a question on the form, please provide the answer in a Supporting Document. Each Product or Service sought to be Tested requires a separate application, irrespective of whether the Applicant has submitted other applications.

Once the application is received, the Applicant will receive an email with an application number and instructions for paying the application fee. The \$500 application fee can be paid either by phone with a Visa/MasterCard or by check (cashier's check required for Applicants located outside the United States).

The Attorney General's Office will review Sandbox applications on a rolling, as-received basis and will notify Applicants of a decision regarding entry into the Sandbox within 90 days of receiving a complete application and payment of the application fee. This 90-day period may be extended if the Applicant and Attorney General's Office mutually agree. Additionally, the Attorney General's Office may request supplementary information after reviewing the initial application submission.

Pursuant to Arizona Revised Statutes § 41-5610, information and records submitted with this application are not public records and will be disclosed by the Attorney General's Office only with the Applicant's permission or as authorized by § 41-5610.

FAQs are available on our website at <https://www.azag.gov/fintech>. Any questions about the application, or the Sandbox more generally, should be sent to the Attorney General's Office at sandbox@azag.gov.



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Definitions:

"Active Manager" means any individual or entity, paid or unpaid, that: (i) is primarily responsible for Testing the Product or Service; (ii) has direct supervisory authority over the staff Testing the Product or Service; or (iii) serves as an officer or director of the business or business unit that is Testing the Product or Service.

"Applicant" means the individual or entity seeking admittance to the Sandbox through this application.

"Innovative" means using or incorporating new or emerging technology or reimagining uses for existing technology to address a problem, provide a benefit or otherwise offer a product, service, business model, or delivery mechanism that is not known by the Attorney General to have a comparable widespread offering in Arizona.

"Key Personnel" means all individuals and entities that: meet the definition of an Active Manager; or own, directly or indirectly, 15% or more of the Applicant.

"Product or Service" means the specific financial product or service the Applicant seeks to Test in the Sandbox.

"Required Records, Documents, and Data" means all records, documents, data, memos, reports, and any other recordable piece of information, whether in physical or digital form, relating to the Product or Service, dating from the time this application is submitted to the time of the Applicant's exit from the Sandbox.

"Sandbox" means the Regulatory Sandbox Program established by Chapter 55 of Title 41 of the Arizona Revised Statutes.

"Supporting Document" means any document, record, or other piece of information, whether in physical or digital form, that may aid in providing the information sought in this application.

"Test" or "Testing" means to provide a Product or Service in the Sandbox as allowed by Chapter 55 of Title 41 of the Arizona Revised Statutes.

"You" or "Your" means the Applicant.



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Full legal name of Applicant. [Include all trade names and DBAs.]

Brief product description.

Anticipated length of time in the Sandbox.

Describe the consumer benefit Your Product or Service Provides

Are You seeking authorization for either or both of the following?

Making the Product or Service available to up to 17,500 consumers.

Conducting individual transactions per consumer up to \$15,000, and aggregate transactions per consumer up to \$50,000 as a "money transmitter" (as defined in A.R.S. § 6-1201).

If yes, provide further explanation and Supporting Documents demonstrating that You possess adequate financial capitalization, risk management processes, and management oversight (e.g., financial statements, BSA/AML Program, etc.).

Contact person for inquiries by Attorney General regarding Application/Testing.

Telephone number(s). [For contact regarding this application and Testing by this Applicant.]

Email address(es). [For contact regarding this application and Testing by this Applicant.]

Applicant's website(s). [Include any URL that may be used for Testing.]



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List Your address(es). [Include address(es) for the location(s) where Testing will be developed and performed and location(s) where Required Records, Documents, and Data will be maintained. If the Applicant is an entity, also include the physical address of the principal place of business (and mailing address if different from the physical address).]

Full legal names of Applicant's Key Personnel. [Identify all Key Personnel by their respective titles and roles. For each individual, include the primary residential address and date of birth. For each entity, include the address of the principal place of business and the state or foreign jurisdiction of incorporation or formation. Alternatively, You may provide this information in attached Supporting Documents relating to Your corporate governance if such Supporting Documents contain some or all of the information sought by this section.]

Of the Key Personnel, identify all Active Managers and provide a brief description of each Active Manager's duties.

Contact for consumer complaints. [If a different contact than for Application/Testing.]

If the Applicant is an entity, provide the state or foreign jurisdiction of incorporation or formation.

Applicant's Federal Employer Identification Number (EIN), if any, and Federal Tax Identification Number (TIN) or Social Security Number (SSN). [Provide Your SSN *only* if You are a sole proprietor.]

If applicable, provide Applicant's Arizona state tax identification number. [This is different from the federal TIN or EIN.]

Are You or Your business already operating in Arizona? [If yes, briefly explain the products or services provided and approximately how many consumers are served annually.] Yes No



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Do You conduct business in a state or foreign jurisdiction other than Arizona? [If so, list the jurisdictions and briefly describe Your business activities.] Yes No

Do You already possess a license or other authorization under another jurisdiction's laws regulating the Product or Service or a similar financial product or service? [If so, list the license and/or authorization, including any license number, and what product or service it relates to.] Yes No

Are You licensing or otherwise using any key technology or intellectual property from a third party as part of Your proposed Product or Service? [If so, provide the name(s) of the third party(ies) and a brief description of what is being licensed or used and whether Your license extends for the duration of the proposed Test.] Yes No

If admitted into the Sandbox, will You work with other individuals or entities outside Your business to develop Your Product or Service while it is in the Sandbox or to Test the Product or Service while it is in the Sandbox? [If yes, provide the following information in a Supporting Document: Name(s); mailing and location addresses; telephone number(s); email address(es); website(s); and a brief description of each individual or entity's role.] Yes No

Have You or any of Your Key Personnel ever been convicted of a felony; had an order, judgment, or sentence imposed, or entered into an assurance or settlement, for any type of fraud, money laundering, or a breach of fiduciary duty or trust; or been the target of a government investigation or regulatory action related to the provision or advertisement of goods or services? [If yes, provide the following information in a Supporting Document: Name of the person(s) or entity(ies) involved; jurisdiction(s) in which the incident(s) occurred; case numbers; the date(s) of any conviction(s), judgment(s), and/or other resolution(s).] Yes No

Explain how Your Product or Service is eligible for the Sandbox. [Explain how it is Innovative and Your understanding of how the Product or Service, outside the Sandbox, may be subject to regulation under A.R.S. Title 6 and/or Title 44 (Chapters 2.1 and 13).]



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***In the remaining sections, if You already have a business plan, white paper, Product or Service synopsis, or other documentation that contains the information requested, upload those materials as Supporting Documents, and refer to the relevant portions of such materials in the response boxes on this form.

About Your Product or Service. [Provide a detailed description that includes how the Product or Service works.]

Outline anticipated consumer experience. [Walk us through a typical transaction and interaction with your product or service from a consumer's perspective.]

Describe how money flows in the course of providing Your Product or Service, particularly as it concerns consumers.

What fees do You anticipate charging, either immediately or in the future, in providing Your Product or Service?



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About Your Testing plan. [Explain the objectives of the Test, how You will determine if the Test was successful or unsuccessful, why You need to Test in a live market, why Your Product or Service would benefit from being introduced into the Sandbox, and, as applicable, why You are not able to proceed with the Test outside the Sandbox.]

Product's or Service's stage of development [Please describe where you are at in the process of developing the product and being ready to launch in the Arizona market.]

Describe the timeline of the proposed Testing plan and key milestones for the Product or Service given the two-year Testing period and any possible extensions. [Your description should address estimated timelines for market entry, market exit, and the pursuit of necessary licensure or authorization.]

What is Your Consumer Protection Plan? [Identify the types of consumers likely to participate in Your Test, how You intend to market the Product or Service and disclose Your participation in the Sandbox, the key risks of the Test to consumers, Your plan to address the risks, and how You will monitor and assess the Testing of the Product or Service to protect consumers from the Test's failure.]



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What is Your Privacy Policy? [Please include documentation of an official or unofficial policy and the privacy protections that you have built into Your Product or Service.]

What records and data will You keep in the ordinary course of business?

What is Your exit plan? [Explain Your anticipated next steps after the Test is complete, including a wind down plan should such action be necessary. In connection with describing Your wind down plan, specifically address how consumers will be protected if the Test is unsuccessful.]

Attestation: I, _____, on behalf of Applicant, attest that the foregoing information and attached Supporting Documents are true and accurate to the best of my knowledge. If accepted into the Sandbox, Applicant agrees to be bound by the requirements of Chapter 55 of Title 41 of the Arizona Revised Statutes and understands that Applicant and Active Managers will be required to acknowledge they are subject to the jurisdiction of the Arizona courts with respect to any action arising out of or relating to Applicant's Testing.

Print Name:

Signature:

Title:

Date: