

Chapter 169.

North Carolina Regulatory Sandbox.

§ 169-1. Short title; definitions.

(a) This Chapter shall be known and may be cited as the "North Carolina Regulatory Sandbox Act of 2021."

(b) The following definitions apply in this Chapter:

- (1) Applicable State agency. – The Office of the Commissioner of Banks or the Department of Insurance, based upon either's regulatory oversight and responsibility relative to the particular product or service covered under this Chapter.
- (2) Blockchain technology. – An electronic method for storing cryptographically secure data in a database or distributed ledger technology that is decentralized, consensus-based, mathematically verified, and distributed across multiple locations.
- (3) Consumer. – A person, whether a natural person or a legal entity, that purchases or enters into a banking, financial, insurance, or related transaction that involves an innovative product that is made available through the regulatory sandbox and that is being tested by a participant.
- (4) Entity. – Any person or legal entity organized under the laws of the United States, or any state within the United States, and subject to the jurisdiction of this State.
- (5) FinTech. – Certain innovative products or services that support the provision of banking or financial services.
- (6) Innovation. – Providing a financial or insurance product or service or a substantial component of such, or using or incorporating new or emerging technology, including blockchain technology, or developing a new use of existing technology to address a problem, provide a benefit or otherwise offer a product, service, business model or delivery mechanism to the public that is not known at present to have a comparable widespread offering in this State.
- (7) Innovative product or service. – A financial, insurance, or emerging technology product or service that includes an innovation component or element.
- (8) InsurTech. – Certain innovative products or services that support the provision of insurance services.
- (9) North Carolina Innovation Council or Council. – The Council established by G.S. 169-4.
- (10) Personal information. – Information that identifies or describes an individual, including, but not limited to, a name, social security number, home address, telephone number, and medical or employment history.
- (11) Regulatory sandbox, sandbox, or sandbox program. – The program established by this Chapter that permits a person or entity to temporarily test an innovative financial or insurance product or service and make it available to consumers on a limited basis without being subject to certain licensing or other regulatory obligations imposed under applicable State law.
- (12) Regulatory sandbox applicant or applicant. – Any person or entity applying to the regulatory sandbox for an innovation waiver.
- (13) Sandbox participant or participant. – Any person or entity whose application to participate in the regulatory sandbox has been approved pursuant to this Chapter.

- (14) Waiver. – A document issued pursuant to this Chapter that allows a sandbox participant to temporarily test an innovative product or service on a limited basis without otherwise being subject to the same licensing or authorization provisions of the laws of this State or in full compliance with the laws of this State. (2021-166, s. 1; 2023-134, s. 11.14(a).)