وزارة الإتصـــــــالات وتكنولوجيـــــــا المعلومـــــــات
Ministry of Communications and Information Technology
State of Qatar • دولـــة قطـــر

Consultation Document

This document is a draft intended for consultation purposes only. It is not the final version and is subject to change based on feedback received during the consultation period.

Regulatory Sandbox Policy

Date: November 2025 | Version: 1.0.0 | Ref: P00Z

DISCLAIMER/LEGAL RIGHTS

The Ministry of Communications and Information Technology (MCIT), has designed and created this publication, entitled Regulatory Sandbox Policy, reference P00Z (hereinafter referred to as the "Work").

The "Work" has been prepared in accordance with the laws of the State of Qatar and does not confer, and may not be used to support, any right on behalf of any person or entity against the State of Qatar or its agencies or officials. If a conflict arises between this document and the laws of Qatar, the latter shall take precedence. Every effort has been made to ensure the "Work" is accurate, but no warranty, guarantee or undertaking is given regarding the accuracy, completeness or currency of the "Work". Links to other websites are inserted for convenience only and do not constitute endorsement of material at those sites, or any associated organization, product or service.

Any reproduction of this "Work" either in part or full and irrespective of the means of reproduction, shall acknowledge MCIT as the source and owner of the "Work". Any reproduction concerning the "Work" with intent of commercialization shall seek a written authorization from MCIT. MCIT shall reserve the right to assess the functionality and applicability of all such reproductions developed for commercial intent. The authorization from MCIT shall not be construed as an endorsement of the developed reproduction and the developer shall in no way publicize or misinterpret this in any form of media or personal / social discussions.

Legal Mandate

The Regulatory Sandbox Policy has been issued pursuant to Amiri Decision No. (57) of 2021 regarding the specification of ministries' mandates, which includes the competencies of the Ministry of Communications and Information Technology. It is also issued under Ministerial Decision No. (17) of 2024, which established departments within the administrative units of the Ministry of Communications and Information Technology and defined their functions.

Strategic Alignment

Qatar National Vision 2030	• Foster innovation in a knowledge-based economy • Leverage advanced technologies to support sustainable development and economic growth
Third National Development Strategy 2024-2030	• Adopt a sustainable growth model to transform into a competitive, productive, diversified, and innovative economy
Digital Agenda 2030	• *SP04: Priority Sectors Digital* - Create tailored guidelines and regulations, provide support, establish innovation platforms (serving as a sandbox for public and private sector) • *SP15: Refine ICT Regulatory Landscape*- Modernise and extend current ICT regulatory framework (e.g., IP Protection Law, Cybercrime Prevention Law, Digital Trust legislation, E-Commerce and Transaction Law

Document Summary

Name	Regulatory Sandbox Policy
Version	1.0
Document Reference	P00Z
Document Type	Policy
Summary	The Regulatory Sandbox Policy (RSP) aims to provide a national policy framework that establishes objectives, provisions, governance, and responsibilities for the design, deployment, and supervision of regulatory sandboxes in Qatar. It is anchored on three interdependent pillars (Regulatory Policy Environment, Institutional Capacity, and Sector Development) which must be advanced in a coordinated manner to create an enabling environment for regulatory innovation.
Applicable To	• Regulatory bodies directly or indirectly covering digital technology innovations, regardless of sector or specific digital technology being deployed • All public institutions and entities planning to deploy the latest digital innovations • Digital innovators developing new products and services targeting Qatari consumers who can test product compliance before market release, regardless of size, sector, or technology • International innovators and firms operating in the country, independent of the legal presence in the country.
Publishing Date	TBD
Owner	Ministry of Communications and Information Technology

* For any feedback or inquiries, please contact dipd@mcit.gov.qa

Acronyms

AI	Artificial Intelligence
DLT	Distributed Ledger Technology
FDI	Foreign Direct Investment
ICT	Information and Communication Technology
MCIT	Ministry of Communications and Information Technology
MSMEs	Micro, Small, and Medium Enterprises
NCSA	National Cyber Security Agency
QNV 2030	Qatar National Vision 2030
NDS	National Development Strategy
RS	Regulatory Sandbox
RSP	Regulatory Sandbox Policy

Table of Contents

1. Introduction

1.1 Context

Historically, technological change has outpaced national policy development, leaving policymakers in a perpetual state of "catch-up." In the past, governments could afford some lag time, adjusting regulations months or even years after innovations had emerged. Today, however, such luxury no longer exists. The rapid pace of digital transformation is reshaping economies and societies at unprecedented speed, challenging existing policy frameworks from all directions and, in many cases, forcing institutions to adapt under pressure.

Emerging technologies such as artificial intelligence (AI), blockchain, and quantum computing add layers of complexity that further delay regulatory responses. Policymakers must now acquire new expertise and perspectives to address challenges that are often unfamiliar and multifaceted. At the same time, public expectations remain high: regulators are increasingly seen as needing to strike the "perfect balance" between encouraging innovation and ensuring safety, fairness, and social welfare. The stakes are significant: **maximizing the benefits of digital innovation while preventing systemic risks and widespread harm**.

This reality is not unique to Qatar; it is a global challenge. Yet Qatar stands out as a nation that has proactively embraced digital transformation, supported by a **cohesive and forward-looking policy environment**. The country has already launched a vibrant portfolio of strategies and frameworks; all aligned with the **Qatar National Vision 2030** and operationalized through successive five-year development plans since 2008.

These efforts provide a strong foundation, but they also highlight the increasing need for innovative regulatory approaches to keep pace with emerging technologies. Despite this progress, Qatar faces the same regulatory dilemmas as other nations navigating digital disruption. Policymakers and regulators must now walk a delicate line between innovation and oversight. Confronting this complexity requires not resistance but openness, **viewing digital innovation as an instrument for policy development rather than an obstacle**. By integrating digital technologies into the policymaking process, Qatar can harness them as tools to strengthen governance, close regulatory gaps, and accelerate policy responsiveness.

Regulatory sandboxes (RSs) are one of the most promising instruments in this regard. As structured, time-bound experimentation environments, they enable policymakers to evaluate new technologies within a controlled setting. By doing so, they help bridge the gap between innovation and regulation more swiftly than traditional approaches, offering regulators a

powerful tool to manage risk, promote innovation, and advance consumer welfare simultaneously.

1.2 Definition

Regulatory sandboxes are controlled, focalized, and time-limited experimentation platforms designed to evaluate emerging digital innovations for regulatory compliance. They provide a structured mechanism to apply regulatory flexibility to identify potential policy gaps and assess associated risks.

At the conclusion of a sandbox process, regulators are expected to take formal action:

- **Approve the innovation** for broader market use under existing rules
- **Require modifications** to ensure compliance with current or planned regulations, or
- **Reject the innovation** where risks cannot be adequately mitigated.

A core feature of RSs is direct and ongoing interaction between regulators, innovators, and other stakeholders. This engagement ensures that experimentation is actively supervised and aligned with public policy objectives, consumer protection, and systemic risk management.

Importantly, regulatory sandboxes are distinct from testbeds or technological sandboxes used to design, create and test their new digital products and services. **Regulatory sandboxes serve a public policy function: testing innovations for regulatory compliance and risk exposure**.

Finally, RSs should not be misinterpreted as instruments of deregulation. While they may lead to more flexible rules in certain contexts, they can equally confirm the adequacy of existing regulations, justify stricter oversight, or necessitate new rules to address identified risks. The ultimate policy outcome rests with the regulator's discretion, guided by the local context, national priorities, and overarching legal frameworks. Under no circumstances should RSs be used to delay or avoid regulatory action.

1.3 Types of regulatory sandbox and associated risks

Regulatory sandboxes first emerged in the financial sector, primarily as a response to the 2008–2009 Global Financial Crisis, when regulators sought new tools to balance innovation with systemic stability. By 2020, more than 50 countries had adopted regulatory sandboxes, extending their use beyond finance into healthcare, telecommunications, data governance, renewable energy, and other sectors.

Broadly, regulatory sandboxes can be categorized into three main types:

Type of Regulatory Sandbox	Description	Risk Profile
Financial Sandbox	Focused on financial-sector innovations (e.g., fintech, digital payments, crypto-assets). Requires **stringent oversight** due to potential **systemic risks** capable of destabilizing national or global financial systems.	High – Systemic Risk
Sectoral Sandbox	Deployed within a specific industry such as healthcare, telecommunications, or energy. Tests innovations in a **contained domain**, with impacts usually limited to **consumer welfare and market stability** within that sector.	Medium – Sector-specific Risk
Cross-Cutting Technologies Sandbox	Addresses general-purpose technologies (e.g., **AI, blockchain, quantum computing**) that cut across multiple industries. These do not usually create systemic risks (except when applied in finance) but can generate **novel, cross-sector risks** requiring coordinated regulatory attention.	Variable – Depends on application

The financial sector remains unique because of its global interconnectedness and capacity to trigger systemic crises. Financial sandboxes therefore require the highest degree of regulatory supervision. In contrast, sectoral sandboxes tend to produce localized risks that primarily affect consumer safety, market efficiency, and sector-specific regulatory goals.

Emerging cross-cutting technologies such as AI, distributed ledgers, and quantum computing present complex challenges. While they may not inherently generate systemic risks, their pervasive deployment across sectors can introduce novel vulnerabilities, ethical issues, or consumer protection concerns. When these technologies intersect with the financial system, however, regulators should treat them under the financial sandbox model, given the potential for systemic instability.

Sectoral sandboxes gain traction where specialized regulatory bodies exist. The more sophisticated and well-resourced these agencies are, the more effectively RSs can be deployed across multiple domains.

Finally, cross-cutting sandboxes are often the hardest to implement, as suitable regulations, expertise, and institutional frameworks may be non-existent or underdeveloped. Prematurely launching an RS in such contexts risks poor supervision and regulatory capture. Instead, capacity building and expertise development should precede RS deployment. While this may slow the process, it ultimately ensures higher-quality regulatory outcomes and builds resilience against emerging risks.

2. Policy Objectives

The Regulatory Sandbox Policy (RSP) aims to provide a national policy framework that establishes objectives, provisions, governance, and responsibilities for the design, deployment, and supervision of regulatory sandboxes in Qatar.

The objectives of the Regulatory Sandbox Policy are as follows:

2.1 Strengthen the regulatory environment to foster the design and deployment of innovative regulatory tools such as regulatory sandboxes, ensuring that regulation keeps space with technological change.

2.2 Balance innovation and oversight by enabling regulators to adopt agile approaches that support technological progress while safeguarding stability, compliance, and public trust.

2.3 Promote digital innovation ecosystems by opening structured pathways to assess, refine, and expedite the introduction of new digital products and services across sectors.

2.4 Protect consumers and promote welfare by prioritizing innovations that contribute to safety, trust, inclusivity, and broader human development outcomes.

2.5 Foster sustainable economic growth by establishing a state-of-the-art regulatory environment attracting further national and international investments.

2.6 Enable fair competition and market access by offering MSMEs new opportunities to test new products and services on a level playing field, regardless of size or market caps.

2.7 Promote public-private partnerships that augment collaboration and trust between government, the private sector and civil society.

3. Scope and Application

The Regulatory Sandbox Policy applies broadly across Qatar's regulatory and innovation ecosystem. It is designed to ensure that all relevant regulatory bodies, public entities and (international) innovators involved in the deployment, oversight, or testing of digital innovations operate under a consistent and transparent framework. The scope of application is defined as follows:

- **Regulatory bodies** directly or indirectly covering digital technology innovations, regardless of sector or specific digital technology being deployed.

- **All public institutions and entities** planning to deploy the latest digital innovations, especially in sectors where systemic risks are at play or their impact on consumer welfare is uncertain.

- **Digital innovators** developing new products and services targeting Qatari consumers who can test product compliance before market release, regardless of size, sector, or technology.

- **International innovators** and firms operating in the country, independent of the legal presence in the country.

The following institutions are **exempted** from the scope of the RSP due to their specialized mandates:

- Public sector institutions dealing with national security, stability, and other critical areas with specific requirements, such as the NCSA or the Central Bank, are exempted.

4. Provisions

From a policymaking perspective, **three interdependent pillars** must be comprehensively addressed to create an enabling environment for the deployment of regulatory sandboxes and other innovative regulatory tools:

4.1 Regulatory Policy Environment
4.2 Institutional Capacity
4.3 Sector Development

Together, these pillars establish the foundation for a modern regulatory ecosystem. In the Qatari context, economic diversification is a strategic priority under the National Vision 2030 and related development agendas. New technologies are expected to accelerate this transformation, provided that regulatory institutions are sufficiently cohesive, empowered, and capable of adopting innovative tools. At the same time, the maturity of the **regulatory policy environment** both depends on **institutional strength** and, in turn, propels **sectoral development**. The three pillars are therefore mutually reinforced and must be advanced in tandem.

4.1 Regulatory Policy Environment

The maturity of a country's regulatory policy environment reflects its overall development trajectory. Advanced economies usually host multiple specialized regulators with decades of accumulated expertise, whereas many emerging economies have fewer regulatory bodies, often with limited mandates and capacities. In such contexts, line ministries may attempt to fill regulatory gaps but lack the legal authority to enforce compliance.

For smaller states such as Qatar, this presents both challenges and opportunities. While institutional capacity may be comparatively limited, the smaller number of regulatory domains makes it possible to design more agile, cohesive, and forward-looking frameworks.

Provisions:

4.1.1 Deploying RSs shall rely on a comprehensive assessment of the regulatory policy environment's development level. An internationally benchmarked methodology should be adopted to identify readiness and gaps.

4.1.2 A comprehensive mapping of all regulatory agencies, their mandates, and issued regulations shall be completed and analyzed accordingly. Additional gaps and potential overlaps shall be identified, highlighted and addressed.

4.1.3 Line ministries and other public entities that can heavily influence regulatory policymaking shall also be mapped. Moreover, public entities that fill regulatory gaps without proper legal mandates shall also be included.

4.1.4 Mechanisms for regulatory networking and coordination among entities shall be established, particularly for financial RSs and cross-cutting technologies.

4.1.5 Findings from the mapping exercises shall be synthesized in an official report to be circulated among stakeholders and integrated into the regulatory readiness assessment.

4.1.6 The assessment and reporting processes described above shall occur on a biennial basis.

4.2 Institutional Capacity

The effectiveness of any regulatory entity rests not only on the expertise and experience of its staff but also on the institution's ability to function cohesively, strategically, and sustainably in fulfilling its mandate. While individual expertise contributes to institutional strength, weak organizational structures or fragmented governance can significantly undermine overall regulatory performance.

The rapid pace of digital innovation compounds this challenge. Many regulatory entities lack adequate knowledge of emerging technologies, particularly when their core mandates are not technology-related. Even specialized agencies face difficulties, as complex innovations such as artificial intelligence, blockchain, or quantum computing present unprecedented regulatory and ethical dilemmas.

From a policy perspective, bridging these gaps requires cultivating the right blend of policy, technical, and managerial capacities within regulatory institutions. Only through this integrated capability can entities effectively supervise regulatory sandboxes, respond to innovation, and ensure that consumer protection and public interest remain at the center of digital transformation.

Provisions:

4.2.1 Regulatory entities shall assess their readiness to embrace RSs as part of the broader readiness assessment and demonstrate clear benefits for stakeholders, particularly consumer welfare.

4.2.2 Entities shall strengthen their administrative, technical, and managerial capabilities, including expertise in sandbox management and digital technology.

4.2.3 To close internal knowledge gaps, partnerships with external experts, academics, and international institutions shall be established, with mentoring and knowledge transfer as core outcomes.

4.2.4 Regulators shall ensure that staff are familiar with both national and international digital regulations relevant to their sector or technology under their mandate.

4.2.5 Regulators shall acquire a policy-level understanding of emerging technologies and evaluate whether RSs are appropriate tools for their oversight.

4.2.6 Managerial training shall be expanded to include skills in sandbox supervision and stakeholder engagement, ensuring effective interaction with innovators, consumers, and other regulators and policy-makers.

4.3 Sector Development

Large and advanced economies typically sustain a broad range of sectors that enable them to remain competitive on a global scale. In contrast, most emerging economies are concentrated in only a few industries, often primary product sectors, and must continually seek competitive niches within the existing international division of labor.

However, many countries have adopted long-term visions and development agendas that place economic diversification at the center of national priorities. Expanding into secondary and tertiary sectors has therefore become a strategic priority, as these industries generate higher value-added activities, create quality employment, and contribute directly to advancing overall human development.

As a result, established, emerging, and prospective economic sectors serve as critical reference points for sectoral policy development, guiding the creation of complementary regulatory agencies and the formulation of new or updated regulations where necessary.

Provisions:

4.3.1 A comprehensive assessment of sectoral development shall be undertaken to identify priority industries that align with diversification targets.

4.3.2 Priority sectors shall be analyzed in terms of their readiness for digital innovation by determining which ones are more prone to digital technology deployment. Prioritization of cross-cutting technologies shall reflect their relevance across industries.

4.3.3 Digital sovereignty in priority sectors shall be explored to reduce dependency on external technological providers and enhance Qatar's competitive position.

4.3.4 Regulatory gaps in priority sectors, including institutional and expertise-related gaps, shall be identified and addressed. While regulation might not be needed in some cases, having a comprehensive understanding of the various sectors will trigger regulatory policy cohesiveness.

4.3.5 In the short term, international expertise shall be leveraged to address gaps, with structured knowledge transfer. In the medium term, new or restructured regulatory entities shall be established to oversee priority sectors.

4.3.6 Exploring the creation of informal regulatory networks that include non-state actors and stakeholders shall be considered. Such networks could then become part and parcel of RS deployments in specific economic sectors or for cross-cutting technology regulation.

5. Roles and responsibilities

Effective implementation of the Regulatory Sandbox Policy (RSP) requires clear roles and responsibilities across government, regulators, and non-state stakeholders. Coordination, transparency, and accountability will ensure that the policy provisions are applied consistently and deliver tangible benefits.

5.1 Ministry of Communications and Information Technology (MCIT)

MCIT shall provide overarching leadership, coordination, and strategic oversight for the Policy. Its responsibilities include:

5.1.1 Create a **multi-sectoral governance mechanism**, such as a Steering Committee, Council, or similar, that will oversee the overall implementation of the provisions envisaged in the Policy. In principle, regulators and regulatory ad entities should be critical as they are expected to deploy RSs in practice.

5.1.2 Crete a technical advisory board of policymakers, experts, and academics to support the Steering Committee. Technical advisory board members should serve on a rotational and non-permanent basis.

5.1.3 Create specialized and multidisciplinary working groups with clear operating and sunset rules for sectoral assessments and related work components. Such working groups should be under the oversight of the RSP council.

5.1.4 Ensure the various policy provision outputs are fully aligned with existing national development policies, digital strategies and regulations already established by the multiple instances of government.

5.1.5 Support the creation of a formal network of Qatari regulators, especially from sectors where digital innovations can play a decisive role. That will ensure regulatory coherence and avoid regulatory fragmentation. The regulators should lead such a network and include other government and civil society stakeholders.

5.1.6 Develop detailed guidelines for implementing RSs in consultation with regulators and digital innovators.

5.1.7 Devise an operational and consultative mechanism to keep the Regulatory Sandbox Policy up to date and determine its frequency. This mechanism should conduct an agile cycle review. Biennial updates should be the minimum to consider here.

5.1.8 Facilitate the Regulatory Sandbox Policy diffusion among regulators, key public entities, innovators, and developers, some of whom were previously consulted before its final approval. A more targeted communications strategy could be used to inform the public.

5.2 Regulatory Entities

Regulatory entities are the primary implementers of the Policy and must ensure readiness, capacity, and compliance. Their responsibilities include:

5.2.1 Actively participate in implementing the policy provisions by providing leadership and expertise in the process.

5.2.2 Disseminate the Regulatory Sandbox Policy within their organizations by arranging virtual and face-to-face meetings while ensuring staff participates in implementing the policy provisions.

5.2.3 Reach out to other regulatory entities and support creating a regulators' network.

5.2.4 Ensure they have the necessary internal capacity or identify external expertise before deploying RSs.

5.3 Private Sector, Academia and Civil Society Organizations

These stakeholders play a critical role in ensuring innovation, expertise, and inclusivity in the Regulatory Sandbox Policy implementation. Their responsibilities include:

5.3.1 Contribute expertise and knowledge to support RSP implementation.

5.3.2 Actively participate in the various governance instances to be created by MCIT to revise and update RSP and support its overall oversight.

5.3.3 Ensure they understand the content of the RSP and know how they could get involved as direct participants of actual RSs deployments.

Glossary of Terms and Definitions

Term	Definition
Cross-Cutting Technologies Sandbox	A sandbox addressing technologies (e.g., artificial intelligence, blockchain, quantum computing) that span multiple sectors and may introduce new risks requiring coordinated oversight.
Financial Sandbox	A sandbox focused on innovations in the financial sector, carrying the potential for systemic risks and requiring stricter oversight.
Regulatory Sandbox	A controlled, structured, and time-limited framework that enables the supervised testing of innovative products, services, or business models in a real-world environment, with limited regulatory flexibility, to assess compliance, risks, and policy gaps.
Regulatory Sandbox Policy	The national policy framework that establishes objectives, provisions, governance, and responsibilities for the design, deployment, and supervision of regulatory sandboxes in Qatar.
Sectoral Sandbox	A sandbox applied within a specific sector (e.g., health, telecommunications, energy) to test innovations and assess their regulatory implications.
Test bed	A software or technological environment used by developers to design and test products. Unlike regulatory sandboxes, testbeds are not designed for compliance evaluation but for technical validation.

Document Control

Version	Date	Amendments	Author
1.0.0	TBD	Draft of the Guidelines	MCIT

Prepared by
Digital Industry Policies Department
Ministry of Communications & Information Technology
Version 1.0.0 2025

E-Mail: dipd@mcit.gov.qa