



Central Bank
of Armenia

PUBLIC CONSULTATION: INNOVATION IN THE FINANCIAL SYSTEM

PUBLIC CONSULTATION PC-2026-02

INNOVATION IN THE FINANCIAL SYSTEM

INTRODUCTION

The Central Bank of Armenia, aiming to promote innovation and competition in the financial system, is launching a public consultation to understand the barriers faced by market participants in introducing innovative products and services. The data collected will be used to assess the feasibility of introducing innovation facilitators into the financial system.

The fintech ecosystem has been evolving globally, benefiting customers by providing flexible and personalized financial services. The emergence of fintech players drives competition in the financial system, resulting in more efficient and affordable financial services. Moreover, innovation facilitators have become vital mechanisms that support the entry of innovative products, services, and business models into the financial system.

The public consultation seeks input from market participants regarding their experiences with introducing innovation into the financial system. Additionally, the consultation aims to assess the need for innovation facilitators, such as an innovation hub and a regulatory sandbox.

CONTEXTUAL BACKGROUND

Financial innovation is advancing rapidly, often integrating new technological solutions. Advancement of innovation is vital for financial system development and for providing better services to customers.

At the same time, innovation can be disruptive and may introduce risks to the financial system stability. These risks may relate to data privacy, cybersecurity and consumer protection.

One of the main goals of the Central Bank of Armenia is to safeguard financial stability. At the same time, the Central Bank of Armenia values the role of innovation in the financial system. Accordingly, we are exploring regulatory regimes that support the safe entry of innovative products and services into the market, alongside strong protections for financial stability.

PARTICIPATION SCOPE

The public consultation is open to market participants with experience in financial, technological, and other relevant industries in the Republic of Armenia and/or internationally. This includes licensed financial institutions, fintech companies, telecommunication companies, and IT firms. Organizations that have previously engaged with innovation facilitators in other jurisdictions are particularly encouraged to apply. The Central Bank of Armenia also welcomes input from industry experts and academia with relevant expertise.

QUESTIONS

1. Please introduce your organization, its main activities, and industry experience. Describe the innovative service you plan to offer in the financial sector of the Republic of Armenia. Indicate the target customers, expected scale, use cases, added value for consumers and financial system, main risks and mitigation mechanisms.
2. What barriers have you identified in introducing this innovation into the financial system? Are there aspects of the current legal and regulatory framework that create obstacles for introducing financial innovation? If yes, please mention specific laws and regulations and describe how they create obstacles.
3. Which market entry approach would be most appropriate for your innovation (e.g., fintech partnership, existing license in the financial system of the Republic of Armenia, new license and/or permit)? Please note that the examples provided are non-exhaustive, and respondents may indicate other approaches.
4. Do you have experience with an innovation hub and/or a regulatory sandbox? If yes, please describe it.
5. Kindly provide any additional suggestions, feedback, or concerns that have not been addressed above.

FORMAT AND TIMELINE

The consultation requires participants to complete the [form](#) published on the Central Bank of Armenia website and submit their responses to secretariat@cba.am with the subject line “Public Consultation: Innovation in the Financial System” **by March 20, 2026 (deadline extended to April 20, 2026)**.

The Central Bank of Armenia may contact respondents for interviews or additional inquiries.

In case of questions, please contact mcba@cba.am.

CONFIDENTIALITY AND DATA USE

The data collected will be used only for the purposes specified in “Public Consultation: Innovation in the Financial System” document and will not be provided to third parties.

NEXT STEPS

Over the next few months, the Central Bank of Armenia will analyze the responses received and issue a feedback statement summarizing the main findings and communicating further initiatives. The responses will be used only to summarize the overall results and will not include identifying information about the participants.

DEFINITIONS

Innovation facilitator – in the context of this document, the term "innovation facilitator" refers collectively to the regulatory sandbox and the innovation hub.

Innovation hub – a dedicated point of contact for firms to raise enquiries with competent authorities on FinTech-related issues and to seek non-binding guidance on regulatory and supervisory expectations, including licensing requirements.¹

Regulatory sandbox – a framework set up by a financial sector regulator to allow small-scale, live testing of innovations by private firms in a controlled environment under the regulator’s supervision.²

Fintech – technology-enabled innovation in financial services that could result in new business models, applications, processes or products with an associated material effect on the provision of financial services.³

¹ Adapted from the Joint Committee of the European Supervisory Authorities (EBA, EIOPA, and ESMA), FinTech: Regulatory sandboxes and innovation hubs, JC 2018 74.

² Ivo Jenik & Kate Lauer (2017), Regulatory Sandboxes and Financial Inclusion, CGAP Working Paper, October 2017.

³ FSB (2019), FinTech and market structure in financial services