

Article Information

Authors: Steven Pettigrove, Katrina Sharman, Will Deeb, Tahlia Kelly

Service: Banking & Finance, Blockchain

Sector: Financial Services, FinTech

Australian Government Consults on the Enhanced Regulatory Sandbox

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The Piper Alderman Blockchain Group has submitted its consultation response to Australia's independent review of the Enhanced Regulatory Sandbox (**ERS**) framework, focusing on how the sandbox can more effectively support innovation in areas like financial technology and digital assets. The submission highlights that the current ERS settings are overly prescriptive and that more flexible settings drawing on international best practice can help position Australia to retain and attract technology investment and talent.

The submission emphasises the need for a risk-based approach that better reflects existing consumer protections already embedded in Australian law, and argues that narrow eligibility criteria and fixed consumer exposure caps discourage participation and scalability. We also highlight the absence of a clear and structured pathway from sandbox participation to licensing, noting that this undermines the ERS's role as a bridge to commercialisation and risks driving innovation offshore.

Drawing on international best practice, including approaches adopted in the UK and EU, our response proposes reforms to improve regulatory certainty, increase participant uptake and ensure the ERS generates meaningful regulatory learning. The submission advocates for clearer off-ramps to licensing, greater recognition of sandbox experience in authorisation processes and a framework that balances consumer protection with Australia's competitiveness in the global digital economy.

Overall, the submission provides a practical perspective on how the ERS can evolve to better support innovation while maintaining robust regulatory oversight.

You can find our response in full below or download a copy of the PDF [here](#).