	Stage	Action	Criteria / Applicable Rules	Fees
1.	Initial application	Firms submit an application to the regulators to enter the DSS. Firms that meet the Gate 1 criteria will be approved as sandbox entrants.	✓ UK based entity, which does not include branches. ✓ Activities and assets in scope of the DSS, i.e. either already a recognised financial market infrastructure ("**FMI**") entity or new entrant with proposed activity falling within scope of DSS activities. ✓ There are potential regulatory barriers or obstacles to activity outside the DSS.	**BoE fees:** £10,000 Gate 1 sandbox entrant application fee (payable at the point of submitting an application to enter the DSS as a DSD or hybrid entity) **FCA fees**: N/A (i.e. no fees to enter as trading venue)
GATE 1				
2.	Testing	Firms are approved as sandbox entrants but do not have any new permissions to undertake FMI activities. Entrants wanting to be a DSD will test their systems, engage with BoE supervisors and prepare to meet the expected regulatory and supervisory outcomes at Gate 2. Firms who can meet Gate 2 requirements will become DSDs and move into the next stage.	✓ Continue to meet eligibility criteria	**BoE fees: N/A** **FCA fees: N/A**

		Firms seeking to operate a trading venue should apply to the FCA to operate an MTF or OTF. If a firm already holds a relevant permission, or is exempt from authorisation, should engage with FCA supervisors, who might determine such persons can begin activity in the DSS. This will depend on the permissions of a firm and its proposed business model for the DSS.		
GATE 2				
3.	Go live	Entrants become DSDs and have permission to undertake CSD activity. Where relevant, entrants are appropriately authorised by the FCA. Firms may undertake live activity subject to limits outlined by the FCA and BoE.	✓ Gate 2 BoE rules for DSDs (assessed via Gate 2 application form). ✓ FCA Authorisation requirements for operators of trading venues.	BoE fees: • £40,000 Gate 2 DSD/application fee – payable at the point a sandbox entrant is designated as a DSD, and applicable to all DSDs when the BoE updates the firm's SAN. • £85,000 Stage 3 Annual DSD supervision fee – charged on a cost recovery basis, with fees "pro-rated and shared equally across DSDs" FCA fees: Trading venue fees unchanged – • £50,000 for MTF and/or OTF authorisation; or

				• £25,000 for Variation of Permission for firms already authorised • Existing annual fee regime continues to apply
GATE 3				
4.	Scaling stage	Firms have access to higher limits. DSDs can increase their activity within these limits and start to consider how to meet end-point requirements after the DSS.	✓ Gate 3 BoE rules for DSDs. ✓ FCA requirements for operators of trading venues apply.	BoE: Fees for this stage not subject to this Consultation Paper – further details to be released and consulted on. FCA: existing regime continues to apply.
GATE 4				
5.	Operating outside the DSS under new regime	If appropriate, the regulators will create a new and permanent regime.	✓ Revised CSD regime reflecting sandbox learnings or alternative regime. BoE end-state rules to provide the 'default' of what the revised regime could look like to provide a glidepath.	BoE: Fees for this stage not subject to this Consultation Paper – further details to be released and consulted on. FCA: existing regime continues to apply.