Artificial intelligence: challenges for the financial sector

Accompanying questionnaire for consultation

This questionnaire has been designed for consulting about ACPR's discussion paper: "Artificial Intelligence: issues for the financial sector". The answers will enable the ACPR to continue its work on the matter, in relation to the *task force* it is leading, and to propose possible courses of action.

Please send your answers to the following address: fintech-innovation@acpr.banque-france.fr before **28 February 2019**.

Description of artificial intelligence development in the financial sector (Part 1 and 2 of the discussion paper)

Question n°1: Do you have any comments on the paper's definition of artificial intelligence? (Part 1.1.1)

Question n°2: Do you identify other contributing factors to AI development in the financial sector than those listed in the paper (Parts 1.1.2 and 1.2)? Conversely, do you identify possible obstacles to this development?

Question n°3: Do you have any comments on the considerations of the paper on the use of cloud (Parts 1.2.3, 2.2.3 and 2.2.4)?

Question n°4: Do you have any comments or additions to the list of uses identified in Part 2.1 of the report? Where appropriate, you can quickly describe concrete projects, specifying their progress level (note that individual information will remain strictly confidential).

Question n°5: Do you share the analysis of the risk of algorithm bias in Part 2.2.1? Which complements would you bring?

Question n°6: Same question for cyber security risk analysis (Part 2.2.2)

Issues for supervisors (Part 3 of the discussion paper)

Question n°7: Do you think there are business models using IA that cannot grow because of financial sector regulations? If so, can you clarify why and specify the relevant regulatory provisions?

Question n°8: Beyond the requirements of the GDPR, are you aware of "governance of algorithms" processes that would be developed in line with the general governance requirements for the financial sector? If so, for which activity? (Part 3.1.1)

Question n°9: What would be the most useful definition of "explainability" of algorithms for the implementation of governance and control of algorithms in the financial sector? (Part 3.1.2) Do you know practical methods already operational to ensure this "explainability"?

Question n°10: According to you, what are the most promising methods for ensuring the reliability of algorithms? (Part 3.1.2)

Question n°11: Have you taken into consideration the specificities of the interactions between human and intelligent algorithms in defining operational or control processes? (Part 3.1.2)

Question n°12: What specific internal control measures do you consider necessary for AI? (depending on the area in which AI is used, customer sale, pricing, management, AML-CFT, internal models for the calculation of regulatory requirements, etc.)

Question n°13: Do you think it possible in the financial sector to entrust "level 1", "level 2" or even "level 3" controls - to smart algorithms?

Question n°14: Do you think it useful to clarify or illustrate some regulatory principles due to the emergence of artificial intelligence technologies? If so, which ones?

Question n°15: Do you have comments on possible market developments described in Parts 3.2.1 and 3.2.2?

Question n°16: Do you believe that the phenomena of mutualisation of technological resources should be better recognised, or even encouraged by supervisors? If so, in which areas? How?

Question n°17: What approaches should be preferred by the supervisor to support the development of AI in the financial sector and to address the issues discussed in Part 3?

Question n°18: Do you have any comments on the lines of action mentioned in Part 3.3 of the document?

Question n°19: What do you consider priority areas where the supervisor should provide guidance to the market on its expectations in order to reduce possible regulatory uncertainty for AI projects?