



The launch of a Task Force to tackle the opportunities and challenges raised by Artificial Intelligence in the financial sector

Concept note

The deployment of Artificial Intelligence (AI) algorithms heavily relies on the availability of the data and the raw power of the computer equipment. Today, both are growing exponentially. The application of AI algorithms appears to be only natural for the financial sector since data analysis in order to prevent risks has always been at the heart of financial activities. Nevertheless, wide adoption of AI algorithms could have systemic impacts since they are meant to be repeatedly used over long period of time and on large scales. Other impacts should not be neglected as well, such as those related to consumer protection. Thus, there is a need to collectively consider the current and potential uses of AI technologies and weigh in the benefits and the potential risks associated.

As announced by the Governor of the Banque de France and President of the the *Autorité de contrôle prudentiel et de résolution* (ACPR, French Bank and Insurance Supervisors) during Paris Fintech Forum the January 30th, 2018, the ACPR therefore intends to launch a dedicated Task Force to evaluate the stakes of the Artificial Intelligence in the financial sector.

This Task Force (TF) will be composed of banks, insurance companies, members from Forum Fintech (preferably Fintech) and if need be other Fintech. In terms of federations, the FFA (*Fédération Française de l'Assurance*) and the FBF (*Fédération Bancaire Française*) will also be invited to participate. The Task Force will naturally include the *Autorité des Marchés Financiers* (AMF, French financial markets authority) with whom ACPR closely cooperated on innovation-related topics, as well as other authorities (such as French data protection officers). The TF will consult experts (academics, manufacturers...) where necessary.

The primary goal of this TF will consist of issuing a report (likely as a Discussion Paper), aiming at summarizing the implications of using AI technologies in the financial sector. The TF will pay particular attention to the regulatory implications of AI technologies, with in mind both support of innovation and the legal mandates of the ACPR relative to the preservation of the stability of financial system and consumer protection.

There, this Task Force will work on:

- Picturing the current and potential applications of AI in the financial sector, by taking into account the type of AI.
- Evaluating the opportunities and the risks related to the development of AI in the financial sector.
- Identifying the hurdles, especially regulatory ones, that financial actors who wish to apply AI technologies might encounter.
- Measuring at what degree the identified risks are covered by current regulatory dispositions.
- Evaluating the necessity, or not, of normative actions in order to either prevent the risks or to allow the deployment of the technology in a secured manner.

The document will be produced during Q4 2018.