

Press release

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FINMA guidance on governance and risk management when using artificial intelligence

The Swiss Financial Market Supervisory Authority FINMA is today publishing its guidance on governance and risk management when using artificial intelligence (AI). The guidance draws attention to the risks associated with the use of AI and describes FINMA's observations from ongoing supervision.

The rapid adoption of AI in finance brings with it associated risks, which are often difficult to assess. These include operational risks, in particular model risks (e.g. lack of robustness, correctness, explainability or bias), data-related risks (e.g. data security, data quality, data availability), IT and cyber risks, increasing third-party dependencies as well as legal and reputational risks.

In the course of its supervisory activities, FINMA has observed that most financial institutions are still in the early stages of development and that the corresponding governance and risk management structures are still being established. In this context, FINMA is drawing the supervised institutions' attention to the need for appropriate identification, assessment, management and monitoring of the risks resulting from the adoption of AI. It is also providing information on corresponding measures that it has observed in the course of ongoing supervision.

This is intended to strengthen the reputation of the financial centre and help institutions to sustainably protect their business models against risks in a constantly changing environment by investing in a clear business strategy, a strong risk culture and governance plus proactive risk management.