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Marlene Amstad, Chair of FINMA

Artificial intelligence is reshaping financial markets and supervision

Key points

At the conference *Technological Frontiers in Finance*, hosted in Paris by the Autorité des Marchés Financiers (AMF) and the Association Europe Finances Régulations (AEFR), FINMA Chair Marlene Amstad joined a fireside chat with Tuhin Kanta Pandey, Chair of the Securities and Exchange Board of India and Tuang Lee Lim, Assistant Managing Director of the Monetary Authority of Singapore and Chair of the IOSCO Fintech Task Force. The discussion focused on artificial intelligence (AI) and its implications for financial markets. Marlene Amstad highlighted developments in Swiss financial markets, findings from the IOSCO SupTech Survey, FINMA's own use of AI in supervision, and how AI might affect financial stability.

AI is becoming crucial to how financial institutions operate and how supervisors oversee markets. Switzerland, as one of the world's leading wealth management and reinsurance centres, is particularly feeling this transformation. Three core messages emerged from Amstad's remarks:

a) AI adoption in Swiss financial markets: FINMA's three surveys of around 400 licensed institutions (banks, insurance companies and asset managers) show that a significant part already use AI or have initial applications in development. The development is very dynamic as for each deployed AI application there are two in development. Institutions apply AI for tasks such as process optimisation, text generation, and generative chatbots. Most rely on external providers, a trend particularly strong among smaller firms, raising questions of outsourcing and operational risk. Governance frameworks are evolving, with about half of institutions adopting explicit AI strategies that focus on data protection, cyber security, data quality, and enterprise risk management.

b) AI as a driver of supervisory technology (SupTech): IOSCO's global SupTech Survey, conducted under FINMA's leadership and presented at the IOSCO Annual Meeting in May 2025,[1] shows supervisory authorities moving from experimentation to operational deployment of technology. AI has become a leading enabler of SupTech adoption, ahead of cloud and improved data access. Increasing efficiency and timeliness are the primary drivers of SupTech, while cyber security, operational resilience and third-party dependencies are the main concerns. SupTech is widely used in market surveillance and for investor protection, with increasing attempts being made to also use it in digital assets supervision.

c) AI and financial stability: International standard-setting bodies have identified four key risks associated with AI in financial services: third-party dependencies and concentration risks, market correlations, cyber threats, and model risk, data quality and governance. While these risks are not new,

[1] See IOSCO Annual Meeting, May 2025.

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AI can accelerate their impact. A technology-neutral and proportional supervisory approach might contribute to addressing these challenges.

The findings from Switzerland, IOSCO members, and FINMA's own initiatives converge on a clear message: AI is potentially reshaping financial markets, transforming supervisory practices, and demanding renewed attention to resilience and trust. FINMA will continue to advance international cooperation in SupTech.