The following provides a collection of relevant publications regarding Artificial Intelligence (AI) in capital markets and financial services at both the global and jurisdictional level. Previous versions are posted to the newsletter's page on the GFMA website.

March – April 2025

GFMA, AFME, ASIFMA, and SIFMA

GFMA Submits Response to IOSCO AI Consultation Report (April 11, 2025)

GFMA submitted comments to the International Organization of Securities Commissions (IOSCO) consultation report on "Artificial Intelligence in Capital Markets: Use Cases, Risks, and Challenges." Additional details on the consultation can be found in the global section of this newsletter.

GLOBAL

IMF-IOSCO Conference Includes Panel on Trends in AI and Implications to Financial Stability (April 21, 2025)

The International Monetary Fund (IMF) and International Organization of Securities Commissions (IOSCO) is hosting an "IMF-IOSCO Conference on Market-Based Finance." The conference features a panel on "Trends in Artificial Intelligence and implications for Financial Stability" moderated by Rodrigo Buenaventura, IOSCO Secretary-General.

Cecilia Skingsley Highlights BIS IH Projects on Using AI to Improve the Detection of Illicit Financial Activity (March 27, 2025)

Cecilia Skingsley, Head of the BIS Innovation Hub (BIS IH), delivered a speech on "Working together to ensure financial integrity" at the BIS IH's 2025 Analytics Showcase. As part of the speech, she noted that the BIS IH is focusing on the question "how can AI be used to improve the detection of illicit financial activity?" She also highlighted BIS IH existing projects on the topic.

BIS Chief Representative for Asia and the Pacific Highlights Potential Growth from AI (March 25, 2025)

Tao Zhang, Bank for International Settlements (BIS) Chief Representative for Asia and the Pacific issued remarks titled "Navigating uncertainty in the global economy: central bank challenges in an era of change." In the remarks, he highlighted potential economic impacts and growth due to AI adoption and noted that "for central banks, understanding AI's implications is no longer optional – it is essential."

[BIS Publishes Paper on the AI Supply Chain (March 18, 2025)](#)
The Bank for International Settlements (BIS) published a paper on "The AI supply chain." The paper notes that AI "relies on a complex supply chain comprising five key layers: hardware, cloud infrastructure, training data, foundation models and AI applications." It "examines the market structure of each layer and highlights the economic forces shaping them: rapid technological change, high fixed costs, economies of scale, network effects and, in some cases, strategic behaviour by dominant firms."

[BIS Publishes Working Paper on Predicting Financial Market Stress with Machine Learning (March 17, 2025)](#)
The Bank for International Settlements (BIS) published a working paper titled "Predicting financial market stress with machine learning." The paper finds "that tree-based machine learning (ML) models significantly outperform traditional timeseries approaches in predicting the full distribution of future market stress."

[IOSCO Publishes Consultation Report on AI in Capital Markets (March 12, 2025)](#)
The International Organization of Securities Commissions (IOSCO) published a Consultation Report on "Artificial Intelligence in Capital Markets: Use Cases, Risks, and Challenges." Summary details are available in the related [press release](#). Responses were requested by 11 April 2025. The **GFMA** response can be found [here](#).

[IOSCO Includes AI Workstream in 2025 Work Program (March 12, 2025)](#)
The International Organization of Securities Commissions (IOSCO) published their [2025 Work Program](#). The Work Program includes a focus on "Addressing Risks in Sustainability and Fintech." As part of this focus, IOSCO notes they will advance efforts on "addressing the use of AI in financial markets" and that "IOSCO will seek to deepen its understanding of both proposed and current AI applications by market participants." A key workstream related to these efforts includes a consultation report (see above).

[OECD Publishes Paper on a Common Reporting Framework for AI Incidents (February 2025)](#)
As part of their OECD AI Papers series, the Organisation for Economic Co-operation and Development (OECD) published a paper titled "Towards a Common Reporting Framework for AI Incidents." The aim of the report is to present "a common framework to report AI incidents, providing a global benchmark for stakeholders across jurisdictions and sectors."

NORTH AMERICA

Canada

[Joint Forum on Financial Market Regulators Discuss Emerging AI Systems (April 8, 2025)](#)
Canada's Joint Forum of Financial Market Regulators (Joint Forum) held its Annual Meeting in Calgary, Alberta. During the plenary session, the Joint Forum heard presentations "from Canadian securities regulators who recently published Staff Notice and Consultation 11-348 *Applicability of Canadian Securities Laws and the use of Artificial Intelligence Systems in Capital Markets*, which was intended to provide clarity and guidance on how securities legislation applies to the use of artificial intelligence (AI) systems by market participants."

United States

[Michael Barr Delivers Speech on AI, Fintechs, and Banks (April 4, 2025)](#)
Michael Barr, Vice Chair for Supervision of the Board of Governors of the Federal Reserve System (FRB), delivered a speech on "AI, fintechs, and banks" at the Federal Reserve Bank of San Francisco. The remarks noted that the "successful integration of Gen AI into banking will require both creativity in adoption as well as getting the guardrails right" and that "it's an opportunity for all stakeholder-banks, fintechs, regulators, and consumers-to help set the foundation for the benefits of the technology to be achieved and the risks to be effectively managed."

[SEC Holds Roundtable on AI in the Financial Industry (March 27, 2025)](#)
The Securities and Exchange Commission (SEC) held an "SEC Roundtable on Artificial Intelligence in the Financial Industry." Event details including the agenda and speaker information can be found on the event [webpage](#).

[NIST Publishes Trustworthy and Responsible AI Report (March 24, 2025)](#)
The National Institute of Standards and Technology (NIST) announced their "Trustworthy and Responsible AI Report, Adversarial Machine Learning: A taxonomy and Terminology of Attacks and Mitigations (NIST AI 100-2)." The report shares guidance for the development of a "standardized terminology in adversarial ML (AML) to be used by the ML and cybersecurity communities," "a taxonomy of the most widely studied and effective attacks in AML," "a discussion of potential mitigations in AML and the limitations of some existing mitigation techniques," and "an Index and Glossary to help understanding, navigating and referencing the taxonomy."

EUROPE

European Union

[Christine Lagarde Delivers Speech on the Transformative Power of AI (April 1, 2025)](#)
Christine Lagarde, President of the European Central Bank (ECB), delivered an address on "The transformative power of AI" at an ECB conference on the same topic. In her remarks she highlighted impacts to productivity and "the effect of AI on labour markets" as the "two main areas we should expect, and prepare for, major changes in the economy."

[ESMA Publishes Slides from Webinar on AI in EU Investment Funds (March 25, 2025)](#)
The European Securities and Markets Authority (ESMA) held a webinar on "Artificial Intelligence in EU investment funds: adoption, strategies and portfolio exposures." The webinar presentation slides are available [here](#).

[EC Announces Webinar on the AI Act (March 24, 2025)](#)
The European Commission (EC) announced a webinar titled "Fourth AI Pact webinar on the Guidelines for Prohibited AI Practices under the AI Act and the Definition of an AI system." The webinar featured speakers from the AI Office, and it provided "stakeholders with an exploration of the Guidelines for Prohibited AI Practices under the AI Act and the Definition of an AI System." The webinar was held on 3 April 2025.

France

[Denis Beau Delivers Remarks on the Mutual Benefits of Regulation and Innovation (March 5, 2025)](#)
Denis Beau, First Deputy Governor of the Banque de France, delivered remarks on "Regulation and innovation – mutual benefits." In the remarks he provided background on AI and noted that there are "three critical areas for the prospective safety and efficiency of the financial sector – DLT-based finance, artificial intelligence (AI) and cyber risks."

Germany

[Fritzi Köhler-Geib Highlights the Importance of AI for Adapting to a Changing World (March 11, 2025)](#)

Fritzi Köhler-Geib, Member of the Executive Board of the Deutsche Bundesbank, delivered a speech on "Adapting to a changing world - monetary policy, structural reforms and digitalisation." The remarks highlighted opportunities relating to artificial intelligence for the Bundesbank and noted that they are "using artificial intelligence in multiple ways."

Italy

[Banca d'Italia's Innovation Programme Includes Focus on AI (March 31, 2025)](#)
Fabio Panetta, Governor of the Banca d'Italia, delivered an address on the "Overview of economic and financial developments in Italy." His remarks included an update on the Bank's comprehensive programme relating to innovation and digital transformation. He noted that one of the three priorities for this programme will be "fostering a strategic balanced use of artificial intelligence."

Spain

[BdE Deputy Governor Highlights Potential Benefits and Risks from AI (April 1, 2025)](#)
Soledad Núñez, Deputy Governor of the Banco de España (BdE), provided remarks on "The Spanish banking system and the challenges it faces." In her remarks, she noted that "from a technology perspective, artificial intelligence (AI) is a real disruptor that can give rise to synergies with other existing technologies." However, she warned that "its use also poses challenges from an ethical standpoint."

Switzerland

[Federal Council Intends to Ratify Council of Europe AI Convention (February 12, 2025)](#)
The Federal Council of Switzerland announced they intend to ratify the Council of Europe Convention on AI and make necessary amendments to Swiss law. The announcement noted that next steps include drafting a bill by the end of 2026, as well as implementing the AI Convention by defining the necessary legal measures "in particular in the areas of transparency, data protection, non-discrimination and supervision."

United Kingdom

PRA 2025/26 Business Plan Includes Focus on PRA-Regulated Firm Use of AI/ML (April 10, 2025)
The UK Prudential Regulation Authority (PRA) published its Business Plan for 2025/2026. The plan noted that "the PRA aims to be at the forefront of identifying and responding to opportunities and risks faced by PRA-regulated firms as they seek to use technology in innovative ways, including the use of artificial intelligence and machine learning."

BoE FPC Publishes Report on AI in the Financial System (April 9, 2025)
As part of its "Financial Stability in Focus" series, the Bank of England (BoE) Financial Policy Committee (FPC) published a report on "Artificial Intelligence in the Financial System." The report includes context regarding the potential benefits of AI and its growing role in the financial system, highlights the potential financial stability implications of AI, and provides an overview of the FPC's approach to monitoring and mitigating risks from AI.

FCA Announce Support for Innovative Products Including AI as Part of New Work Programme (April 8, 2025)
The UK Financial Conduct Authority (FCA) announced it "will make it easier for firms to test innovative products and support new firms applying for regulatory approval as part of its work programme for 2025-2026." An example is that "to encourage innovation, the FCA's AI Lab will work with firms to deepen understanding and support the use of AI solutions to drive growth and competitiveness in financial markets."

The UK Parliament Publishes Report on the Use of AI in Government (March 26, 2025)
The UK Parliament's Committee of Public Accounts published a committee report on the "Use of AI in Government." The report includes recommendations to the Government, who has two months to respond. The full text is available here.

Andrew Bailey Highlights Potential Economic Growth Resulting from AI Adoption (March 25, 2025)
Andrew Bailey, Governor of the Bank of England (BoE), delivered a lecture titled "Growth - what does it take in today's world?" In his remarks, he highlighted the potential economic growth opportunities and impacts from AI. Due to this potential impact, he recommends "that we must facilitate the growth of AI as the most likely General Purpose Technology which can move the needle on growth in the economy."

APAC

Hong Kong

HKIMR, IMF, and BIS Issue Call for Papers on Upcoming Conference (March 28, 2025)
The Hong Kong Institute for Monetary and Financial Research (HKIMR), the International Monetary Fund (IMF), and the Bank for International Settlements (BIS) are hosting a conference on "Sustaining Financial Stability amid Uncertainty, Fragmentation and Rapid Innovation" in Hong Kong on 14-15 July 2025. In advance of the conference, they have issued a call for papers on key topics including on "opportunities and risks in the financial system from the use of artificial intelligence."

[HK Government Budget Includes AI as Key Focus Area (February 26, 2025)](...)
The Financial Secretary of the Hong Kong Special Administrative Region, Paul Chan, released the government budget for the fiscal year 2025-26. Notably, there is a [section focusing on AI](...) development stating that "through frontier research and real-world application, we will endeavour to develop AI as a core industry and empower traditional industries in their upgrading and transformation."

India

[RBI Governor Delivers Speech on the Opportunities of AI (March 17, 2025)](...)
Sanjay Malhotra, Governor of the Reserve Bank of India (RBI), delivered a speech titled "Transforming grievance redress – the AI advantage." In his remarks, he highlighted many potential opportunities relating to AI, with key advancements relating to customer service, as well as how RBI will help as a facilitator to achieve these opportunities.

Japan

[JFSA Issues AI Discussion Paper (March 4, 2025)](...)
The Japan Financial Services Agency (JFSA) issued an AI Discussion Paper titled "Preliminary Discussion Points for Promoting the Sound Utilization of AI in the Financial Sector." The paper highlights the transformative potential of generative AI in improving efficiency and convenience across industries, including finance, and its contribution to economic development. However, it also addresses challenges such as misuse and misinformation. JFSA welcomes comments regarding the report.

Philippines

[BSP Publishes Discussion Paper on Performance of AI Chatbots (February 2025)](...)
Bangko Sentral NG Pilipinas (BSP) published a BSP Discussion Paper titled "Let Us Ask a Gen AI Chatbot: Machine Versus Bank Survey Results." The paper reports on a study that "evaluates the performance of two generative pre-trained transformer (GPT) models" and its "findings suggest that both models can serve as valuable tools for assessing a bank's financial performance, risks, and macroeconomic outlook."