gfma GLOBAL FINANCIAL MARKETS ASSOCIATION AI Monthly Update

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.

September 2025

GLOBAL

BIS Publishes Paper on Harnessing AI for Monitoring Financial Markets (September 24, 2025)
As part of their Working Papers series, the Bank for International Settlements (BIS), published a paper titled "Harnessing artificial intelligence for monitoring financial markets." The paper explores how "advances in artificial intelligence and machine learning offer new possibilities to" predict financial market stress utilizing "their ability to handle large datasets and unearth hidden nonlinear patterns."

BIS FSI Publishes Paper on How Regulators Can Address AI Explainability (September 8, 2025)
The Bank for International Settlements (BIS) Financial Stability Institute (FSI) published a paper on "Managing explanations: how regulators can address AI explainability." The paper notes that it is "imperative that financial authorities seek to foster sound MRM practices in financial institutions that take into account AI developments" and provides advice regarding this issuance of guidelines on this topic.

BIS IH Academia Workshop Report Highlights Session on AI (September 2025)
The BIS Innovation Hub (BIS IH) published a report following their Academia Workshop for 2025. Artificial Intelligence was a key topic during the workshop and a summary of discussion on this topic is available in the report.

NORTH AMERICA

United States

US and UK Announced Technology Prosperity Deal (September 18, 2025)
The Governments of the US and UK issued a Memorandum of Understanding (MoU) regarding a "Technology Prosperity Deal." The purpose of the MoU "is to enable collaboration towards joint opportunities of mutual interest in strategic science and technology disciplines, including artificial intelligence (AI), civil nuclear, fusion, and quantum technologies."

HFSC Holds Hearing on AI in the Financial System (September 18, 2025)
The US House Financial Services Committee (HFSC) held a hearing on "Unlocking the Next Generation of AI in the U.S. Financial System for Consumers, Business, and Competitiveness." The Committee Memorandum is available here.

EUROPE

European Union

Claudia Buch Highlights the Potential Role of AI in 21st Century Infrastructure and Policymaking (September 10, 2025)
Claudia Buch, Chair of the Supervisory Board of the European Central Bank (ECB), delivered remarks on “Financial stability, supervision and regulation - building a 21st century infrastructure for better, evidence-based policymaking” at the BIS Innovation Summit. In these remarks, she noted that “developing a 21st century infrastructure is key to generate, share and act upon robust evidence” and that “this infrastructure can build on existing elements and harness innovation, particularly through the use of AI tools.”

European Commission Publishes Consultation on Transparent AI Systems (September 8, 2025)
The European Commission “launched a consultation to develop guidelines and a code of practice on AI transparency obligations, based on the provisions of the Artificial Intelligence Act (AI Act).” Responses are requested by 2 October 2025.

Germany

Joachim Nagel Discusses Central Bank Utilization of AI (September 9, 2025)
Dr. Joachim Nagel, President of the Deutsche Bundesbank, delivered remarks on “Future-proofing central banks” at the Bank for International Settlements (BIS) Innovation Summit. In his remarks, he highlighted how the Deutsche Bundesbank is utilizing AI and how central banks can continue to utilize this technology safely going forward.

United Kingdom

BoE Publishes Three Staff Working Papers Involving Machine Learning (September 26, 2025)
The Bank of England (BoE) published three staff working papers involving and experimenting with machine learning (ML). These included one titled “Deep reinforcement learning in a monetary model,” one titled “Blockwise Boosted Inflation: Non-linear determinants of inflation using machine learning,” and one titled “Infusing economically motivated structure into machine learning methods.”

FCA Data Chief Comments on the Importance of Data for Innovation (September 19, 2025)
Jessica Rusu, Chief Data, Information and Intelligence Officer at the Financial Conduct Authority (FCA) delivered remarks on “Regulating for growth – the future is now.” In her remarks, she noted that “data is the lifeblood of innovation, and it is fundamental to the opportunities presented by artificial intelligence” and that “without high-quality, accessible data, AI cannot deliver on its promise.”

APAC

Australia

[Brad Jones Highlights Potential Risks from AI (September 12, 2025)]
Brad Jones, Assistant Governor (Financial System) of the Reserve Bank of Australia (RBA), delivered remarks titled "Anti-fragility and the financial system." In the remarks, he noted that his AI-related "discussions with international counterparts reveal concerns about its potential to accelerate fraud, misinformation and other sources of financial instability" and he specifically highlighted herding risk as an example.

[Michele Bullock Delivers Speech on Technology and the Future of Central Banking (September 3, 2025)]
Michele Bullock, Governor of the Reserve Bank of Australia (RBA), delivered remarks on "Technology and the future of central banking at the Reserve Bank of Australia." In the remarks, she highlighted potential impacts relating to AI as well as the RBA's efforts on this topic.

India

[Rajeshwar Rao Delivers Speech on Balancing Innovation and Prudence for AI in Financial Services (September 16, 2025)]
Rajeshwar Rao, Deputy Governor of the Reserve Bank of India (RBI), delivered a keynote address titled "Balancing innovation and prudence - AI's role in India's financial future." In his remarks, he urged that it is "imperative for the financial sector to approach AI adoption with foresight, investing not just in innovation, but also in resilience by building strong governance structure, diversifying dependencies, engaging in continual assessment of emerging risks, and ensuring their AI strategies align with long-term safety and sustainability of the financial system."