Artificial Intelligence in Italian Financial Markets

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Foreword

This report represents the final output of the project *Strengthening the regulatory and supervisory framework and market practices for the use of artificial intelligence in the Italian financial markets*. The project is funded by the European Union via the Technical Support Instrument, and implemented by the OECD, in co-operation with the European Commission Reform and Investment Task Force (SG REFORM), and in close collaboration with Banca d'Italia as the beneficial authority.

The objective of the project is to help Banca d'Italia and other Italian financial authorities identify, understand, and address the policy and supervisory implications arising from the use of AI across Italian financial markets, ultimately contributing to improved stability, resilience, and efficiency. Particular attention is given to the potential benefits stemming from the use of AI for Italian financial markets, and the related policy and supervisory measures to support safe and responsible AI deployment.

Chapter 1 provides a comprehensive mapping of the current and expected future deployment of AI applications within the Italian financial markets, as well as the broader financial sector. The chapter draws from an OECD survey of the Italian financial industry conducted in Q2 2025, covering all major market segments, and which received 450 responses.

Chapter 2 examines the approaches taken by the Italian financial authorities to monitor the deployment of AI in the domestic market, and to facilitate responsible innovation. The chapter provides information on the current supervisory measures in place and initiatives under development across Italy's financial authorities, including Supervisory Technology (SupTech) tools.

Chapter 3 provides policy considerations related to regulatory and supervisory initiatives and measures, to facilitate wider adoption and experimentation of AI in Italian financial markets, while addressing associated risks. It is based on the results of the OECD project survey, cross-country analysis covering EU member states and select non-EU OECD countries, information obtained through project workshops and bilateral meetings, and previous OECD work on AI in finance.

Acknowledgements

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The report was prepared by Iota Kaousar Nassr, Aleksandra Dymacz, Moonga Chitambo Chinika, John-David Tochon, and Marcel Beer Kremnitzer, under the supervision of Fatos Koc, Head of the Financial Markets Unit, and Serdar Çelik, Head of Division. It benefited from substantial input from the Project Advisory Group, composed of representatives from Banca d'Italia (Giuseppe Grande, Luca Filidi, Mauro De Santis, Michela Marinello), the European Commission SG REFORM (Cristina Pacella) and the OECD.

The project also benefitted from extensive collaboration and contributions from the Italian Ministry of Economy and Finance (MEF), Banca d'Italia (BdI), the Italian Companies and Exchange Commission (CONSOB), the Institute for the Supervision of Insurance (IVASS) and the Commission for the Supervision of Pension Funds (COVIP).

Inputs were also received from representatives of the Italian financial sector, who contributed through a public consultation and participation in bilateral meetings, roundtables and other outreach events during the course of the project. Feedback was also provided by the Secretariat of the OECD Directorate for Science, Technology and Innovation.

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Abbreviations and acronyms

ABI	Associazione Bancaria Italiana
ACN	Agenzia per la Cybersicurezza Nazionale
AI	Artificial Intelligence
AIM	Alternative Investment Market
AMF	Autorité des Marchés Financiers
AML	Anti-Money Laundering
API	Application Programming Interface
APIX	API Exchange
BdI	Banca d'Italia
BoE	Bank of England
BoJ	Bank of Japan
CCP	Central Counterparty
CEDS	Common European Data Spaces
CERT	Computer Emergency Response Team
CFT	Countering the Financing of Terrorism
CIPA	Convenzione Interbancaria per l'Automazione
CISA	Cybersecurity and Infrastructure Security Agency
CMF	Committee on Financial Markets
CONSOB	Commissione Nazionale per le Società e la Borsa
COVIP	Commissione di Vigilanza sui Fondi Pensione
CRD	Capital Requirements Directive
CRM	Customer Relationship Management
CRR	Capital Requirements Regulation
CSCS	Centro Svizzero di Calcolo Scientifico
DLT	Distributed Ledger Technology
DNB	De Nederlandsche Bank
DORA	Digital Operational Resilience Act
DPA	Data Protection Authority
DPD	Detailed Project Description
DPO	Data Protection Officer
DSSC	Data Spaces Support Centre
EBA	European Banking Authority
EC	European Commission
ECB	European Central Bank
EDPB	European Data Protection Board
EDPS	European Data Protection Supervisor
EFDS	European Financial Data Space
EIOPA	European Insurance and Occupational Pensions Authority
EPFL	École Polytechnique Fédérale de Lausanne
ESFS	European System of Financial Supervision
ESG	Environmental, Social, and Governance
ESMA	European Securities and Markets Authority
ESRB	European Systemic Risk Board
ETF	Exchange-Traded Funds
ETH Zurich	Federal Institute of Technology Zurich
EU	European Union
EUR	Euro
FCA	Financial Conduct Authority
FIDA	Financial Data Access
FRB	Federal Reserve Board
FSA	Financial Services Agency of Japan
FSB	Financial Stability Board
GAN	Generative Adversarial Network
GDPR	General Data Protection Regulation
GenAI	Generative Artificial Intelligence
GFTN	Global Finance & Technology Network
GPAI	General Purpose Artificial Intelligence
GPT	Generative Pre-trained Transformer
HFT	High-Frequency Trading
HKMA	Hong Kong Monetary Authority
HR	Human Resources
ICMA	International Capital Market Association
ICT	Information and Communication Technology
IMF	International Monetary Fund
IOSCO	International Organization of Securities Commissions
IRB	Internal Ratings-Based
IT	Information Technology
IVASS	Istituto per la Vigilanza sulle Assicurazioni
KYC	Know Your Customer
LLM	Large Language Model
LOAM	Loan Origination and Monitoring
MAS	Monetary Authority of Singapore
MEF	Ministry of Economy and Finance
MiFID	Markets in Financial Instruments Directive
ML	Machine Learning
MRANTI	Malaysian Research Accelerator for Technology and Innovation
NBFI	Non-Bank Financial Institution
NIST	National Institute of Standards and Technology
NLP	Natural Language Processing
OCC	Office of the Comptroller of the Currency
OECD	Organisation for Economic Co-operation and Development
OSFI	Office of the Superintendent of Financial Institutions
PET	Privacy Enhancing Technology
PoC	Proof of Concept
PRA	Prudential Regulation Authority
RBLS	Regional Bank Lending Survey
SEMIC	Interoperable Europe Semantic Interoperability Community
SG REFORM	Secretariat-General Reform and Investment Task Force
SMEs	Small and Medium-sized Enterprises
SupTech	Supervisory Technology
TAIEX	Technical Assistance and Information Exchange instrument

Executive summary

The deployment of artificial intelligence (AI) is increasing in the Italian finance sector, with the insurance and banking sectors leading adoption, and with strong levels of General-Purpose AI (GPAI) development and experimentation. Overall, 39% of the 450 respondents to the OECD project survey report using AI as part of their everyday operations. Among the main financial sectors, insurance has the highest proportion of AI deployment (70% of respondents), followed by banking (59%). The AI deployment rate for financial market players is 31%.

The most commonly reported AI use cases include internal process optimisation and supportive functions that apply across all sectors of finance in Italy. The most frequent purposes include data analysis, text content generation and summarisation. Other common use cases involve anti-money laundering/countering the financing of terrorism (AML/CFT), fraud detection and prevention, as well as customer support (chatbots). Among financial market participants, 60% deploy AI for internal process optimisation, text content generation and translation. The majority of GPAI use cases remain in the development and experimentation phase, indicating a strong exploratory activity.

Despite relatively lower adoption rates, financial market participants are advancing their experimentation with AI and expect to expand its use in core financial market areas. Asset managers reported nearly 1 000 AI use cases in either experimentation or production – second only to banks. Across all sectors, at least half of the companies already using AI are developing or experimenting with additional use cases.

The benefits of AI observed by most respondents span across sectors, including in financial market activity. Three-quarters of companies using AI reported improvements in operational efficiency, while almost two-thirds experienced productivity gains. Many also reported optimisation of internal processes, improved decision-making and the production of new analytical insights. Improvements in areas such as reconciliation efficiencies or management of settlement risk were less common.

Italian firms that deploy AI currently have a strong reliance on the AI services provided by third parties, with strong concentration among the top four providers. Almost 75% of respondents report using third-party cloud services for AI, while 39% rely on GPAI models implemented by a third party, reflecting a strong preference for vendor-supported solutions. At the same time, 39% of firms do not use any free or open-source components, primarily due to security concerns and limited control over data handling.

Firms are adopting heterogeneous approaches to AI governance, with many taking a layered approach that combines multiple governance tools and risk management mechanisms. Sixteen per cent have introduced explicit AI governance frameworks, while others have adjusted existing ones to manage AI risks. Half of the respondents use human oversight (human-in-the-loop) as a key safeguard, noting that most of the applications have limited or no autonomy levels. Accountability for AI outputs is most often allocated to business area users, followed by executive leadership, with just under three-quarters of respondents assigning responsibility to only one function. Almost half of the respondents have not yet implemented safeguards to address AI-specific cyber threats.

Regulatory uncertainty and potential misalignment across rules are the most commonly cited regulatory constraints to wider deployment of AI in finance, with smaller firms particularly affected due to limited resources. Twenty per cent of survey respondents identify a lack of regulatory clarity as a barrier, particularly regarding the implementation of the EU AI Act and its interaction with existing sectorial regulation, including in cross-border activities. Concerns also exist regarding compliance with data protection frameworks, intellectual property rules, regulations on third-party risk and operational resilience.

Firms also reported a range of non-regulatory constraints linked to organisational, skills and cultural factors, data-related challenges, elevated costs, and potential negative impacts of AI outputs. A quarter of firms face challenges in attracting and retaining staff with AI skills, with other constraints including a lack of relevant use cases and limited AI understanding among senior leadership. Data accuracy and consistency are barriers for almost a third of companies, while a quarter face difficulties accessing data and cost constraints. Many also face constraints related to operational and business risks, third-party reliance, limited transparency of third-party AI models, and risk of legal liability or harm to clients.

Italian financial authorities are active in promoting safe and responsible AI development and deployment in the domestic financial sector and within the EU regulatory framework. Italian authorities maintain an active set of measures and tools to monitor AI deployment in finance in Italy. These include supervisory initiatives across all financial authorities in the form of data collection and research, SupTech tools in production and development, and a well-developed ecosystem of innovation facilitators spanning all major segments of financial activity.

A series of policies could help catalyse the responsible adoption of AI in support of more efficient, inclusive and competitive financial markets. More widely, these could also serve to enhance the competitiveness of Italy's economy while upholding a high standard of consumer protection. Most policy considerations are targeted at Italian financial authorities, including through enhanced co-operation with the non-financial authorities directly concerned. Some are linked to ongoing regulatory initiatives at the EU level, and their implementation will depend on the evolution of the EU legal framework.

Key policy considerations

- **Strengthen co-ordinated, recurring and methodologically-aligned data collection on AI adoption trends**, providing the evidence base for policy design and implementation. This would help Italian and EU authorities enhance regulatory effectiveness, streamline reporting and reduce the reporting burden on supervised entities. Any guidance agreed at the EU level will play a key role in strengthening comparability and reducing the reporting burden.
- **Promote clarity and simplification of the regulatory and supervisory framework**, to strengthen oversight, reduce regulatory uncertainty and ensure consistent EU-wide expectations, while safeguarding fundamental rights and financial consumer protection. This will enable the scaling of AI investment and its safe diffusion, enhancing the competitiveness of the EU financial sector.
- **Require supervised entities to implement sufficiently strong AI governance arrangements**, by ensuring that boards set strategies for, and senior management implements, the development of AI systems and their robust and risk-proportionate oversight. Effective, risk-proportionate governance, supported by strong cyber-resilience frameworks and cross-sectoral co-operation on third-party oversight, can enable safe and responsible AI diffusion, enhance trust, and protect firms, consumers and financial stability.
- **Promote safe data-sharing frameworks and practices**, to enable safe, trustworthy and innovation-enhancing data-sharing across the financial sector that also supports training and fine-tuning of AI models. This entails promoting secure, standardised and interoperable data-sharing frameworks that preserve privacy and foster EU-wide interoperability, strengthening the

competitiveness of the EU financial ecosystem and supporting the objectives of the Savings and Investments Union.

- **Foster and support public-private co-operation** through close and sustained engagement with industry to enhance supervisory understanding of compliance challenges and deliver tangible benefits for supervised entities. Strengthening public-private co-operation can foster wider diffusion of responsible AI innovation, help safeguard consumer protection and advance financial literacy.
- **Highlight and enhance the role of innovation facilitators**, further strengthening and better integrating the country's well-developed ecosystem through EU-aligned testing environments, to enable safe, scalable and inclusive AI experimentation, particularly for smaller firms, and support the transition of AI use cases into live production.
- **Support whole-of-government public sector strategic direction for wider AI diffusion in the finance sector,** through deeper collaboration of the public sector with industry and academia, and support of accessible and compliant AI model development. Enhanced co-operation can ensure that all firms, including those with fewer resources, benefit from shared expertise and infrastructure, thereby catalysing responsible AI innovation.
- **Strengthen supervisory capacity** for effective AI oversight by equipping financial authorities with the skills, talent and tools needed to supervise AI in finance. This includes enhancing authorities' ability to attract, train and retain AI-skilled staff, alongside the deployment of advanced AI-enabled SupTech tools.

1 AI in the Italian financial sector

This chapter maps the main trends in the deployment and anticipated future developments of AI in Italian financial markets and the broader financial sector. It is primarily based on an OECD survey of the Italian financial industry conducted in Q2 2025, which received 450 responses. Additional resources include a supervisory questionnaire directed at Italian financial authorities, as well as additional public sector and industry engagement through OECD-led roundtables, workshops, bilateral meetings, and desk research. The chapter presents key findings on the current deployment of AI in Italian financial markets, the adoption of governance frameworks for AI technologies and the main regulatory and non-regulatory constraints perceived by industry participants.

1.1. Introduction

This chapter presents and analyses information gathered by the OECD regarding the deployment of AI in Italian financial markets. It covers the entirety of financial market activity in Italy, including the underlying infrastructure and the overall value chain – covering both primary and secondary financial markets. Beyond the focus on financial market activity, the report also covers wider finance activity including banking and insurance.

The analysis is based on the results of the OECD survey of the Italian financial industry, which was developed in consultation with Banca d'Italia and the European Commission's Reform and Investment Task Force (SG REFORM) and in collaboration with the other Italian competent authorities. A total of 450 responses were received, representing a 49% response rate across banking, asset management, insurance, pension funds and other financial-market-related sectors (see Annex A for the survey methodology).[1] Additional insights were obtained through virtual bilateral meetings and online roundtables with selected market participants from banking, insurance, asset management and pension funds (see Annex B for a list of participants).

The conceptual structure is developed on the basis of the structure of the industry survey, which focussed on several key dimensions, namely: profiles of survey respondents (including technological capabilities and volume of investment into AI), current uses of AI (including AI use cases and benefits of AI use), future use of AI, governance frameworks (including operational risks and cyber-threats) and constraints to the wider use of AI (including regulatory and non-regulatory factors). The same structure is followed in the sub-headings of the chapter, reflecting the key themes of the survey (see Annex A).

Furthermore, the conceptual structure of the report is guided by relevant OECD standards, notably the OECD AI Principles (OECD, 2019[1]), the G20/OECD High-Level Principles on Financial Consumer Protection (FCP Principles) (OECD, 2022[2]), the OECD Recommendation on Financial Literacy (OECD, 2020[3]) and the G20/OECD Principles of Corporate Governance (OECD, 2023[4]), while also incorporating key principles and standards established by other international organisations and bodies. Table 1.1 presents the structure of the report by chapter and section.

Table 1.1. Structure of the report by chapter and section

Chapter	Section	Key Topics Analysed
1 – The deployment of AI in the Italian finance sector	1.2 Mapping the Deployment of AI	This section provides a comprehensive analysis of the current and expected use of AI technologies across the Italian financial sector. It examines adoption trends by sector, the types of AI and Generative AI models deployed, and the range of use cases in development and production. It also explores investment patterns, reliance on third-party providers, and the observed benefits of AI applications. Furthermore, it highlights the extent of experimentation among financial market participants and outlines future expectations for AI integration in core market activities such as forecasting, market analysis, and settlement.
	1.3 Governance Frameworks for AI Technologies	This section reviews governance structures and oversight mechanisms adopted by Italian financial institutions for AI deployment. It analyses the prevalence of AI strategies, codes of conduct, and risk management frameworks, including human oversight, cybersecurity measures, and operational resilience safeguards. It also assesses accountability mechanisms, designated responsible functions, and the level of understanding of AI technologies among staff. Additionally, it examines talent needs and training initiatives to ensure responsible and effective AI adoption.
	1.4 Key Self-perceived Constraints to AI Deployment	This section identifies the main barriers to AI adoption in the Italian financial sector. It examines regulatory constraints such as uncertainty and misalignment of rules, compliance challenges linked to the EU AI Act and DORA, and sector-specific regulations. It also analyses non-regulatory constraints including organisational and cultural limitations, skills gaps, data quality issues, high implementation costs, and operational risks. The section provides insights into how these constraints affect firms' ability to scale AI adoption and highlights differences across firm sizes and sectors.
2 – Approaches by Italian financial authorities to	2.2 Monitoring and Supervision	This section reviews initiatives by Banca d'Italia, CONSOB, IVASS, and COVIP to monitor and supervise AI deployment. It details data collection activities, research projects, and the development of SupTech tools to enhance supervisory capabilities. It also examines collaborative efforts with EU bodies and the integration of AI into supervisory processes such as market surveillance, consumer protection, and risk-based analysis.

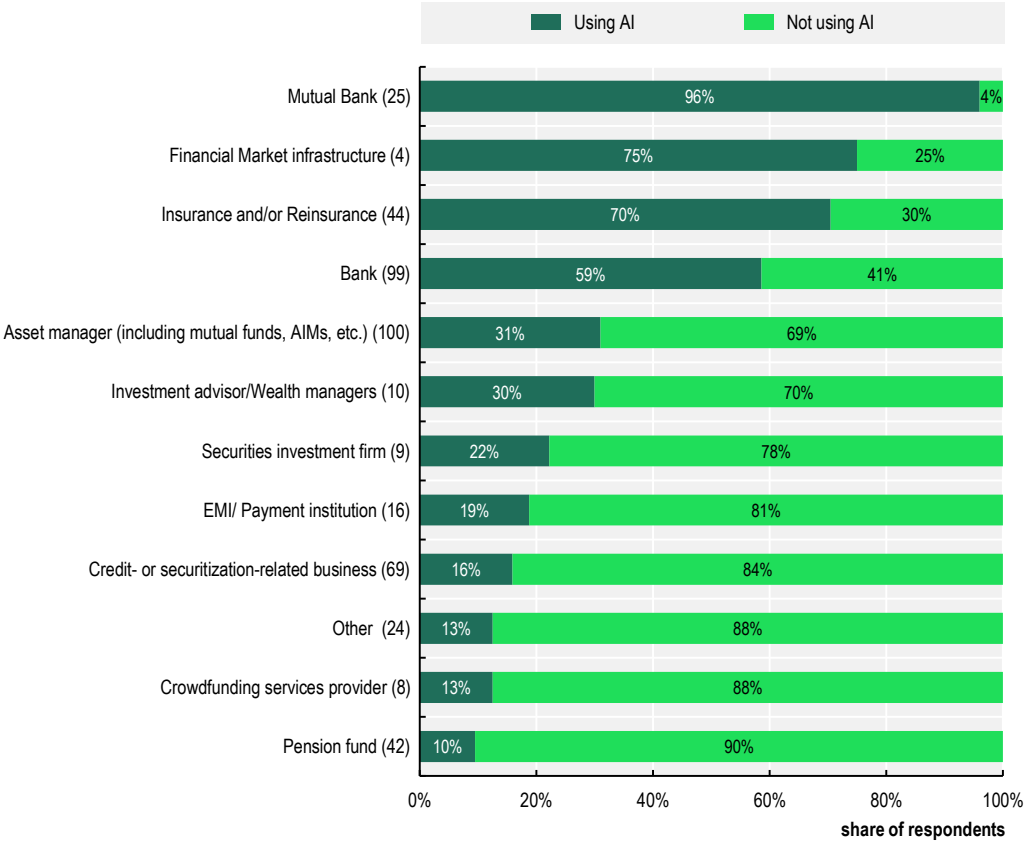
Chapter	Section	Key Topics Analysed
promote safe AI deployment	2.3 Enabling Environment for Innovation	This section analyses innovation facilitators in Italy, including the financial regulatory sandbox, Milano Hub, and the FinTech Channel. It explains how these initiatives support experimentation with AI technologies, foster collaboration between regulators and market participants, and promote a safe and proportionate approach to innovation. It also discusses recent legislative updates to simplify sandbox access and the alignment of national initiatives with EU-level requirements under the AI Act.
3 – Policy Considerations	–	This section presents policy recommendations to strengthen the regulatory and supervisory framework for AI in Italian financial markets. It outlines measures to promote safe and responsible AI adoption, mitigate emerging risks, and enable innovation. Recommendations are informed by findings from previous chapters and aim to ensure market integrity, consumer protection, and financial stability while fostering competitiveness and technological progress.

1.2. Mapping the deployment of AI in the Italian finance sector, with a focus on financial markets

1.2.1. Deployment of AI solutions across the Italian financial system

Overall, 39% of survey respondents currently deploy AI in their activities. Financial market participants such as asset managers, wealth managers and investment advisors have adoption rates near 30%. Securities investment firms show lower adoption at 22%. No broker-dealer or investment adviser reported using AI, although these categories have smaller sample sizes. Among major sectors, insurance shows the highest AI deployment at 70% of respondents. Banks have a 59% adoption rate, while for pension funds it stands at 10% (Figure 1.1). AI penetration in Italian financial markets is likely to be higher than sector-level figures, as institutions operating across multiple sectors often include financial market activities. Similarly, AI deployment by asset managers may relate to back-office or administrative functions rather than investment processes.

Figure 1.1. Share of respondents currently using AI technologies

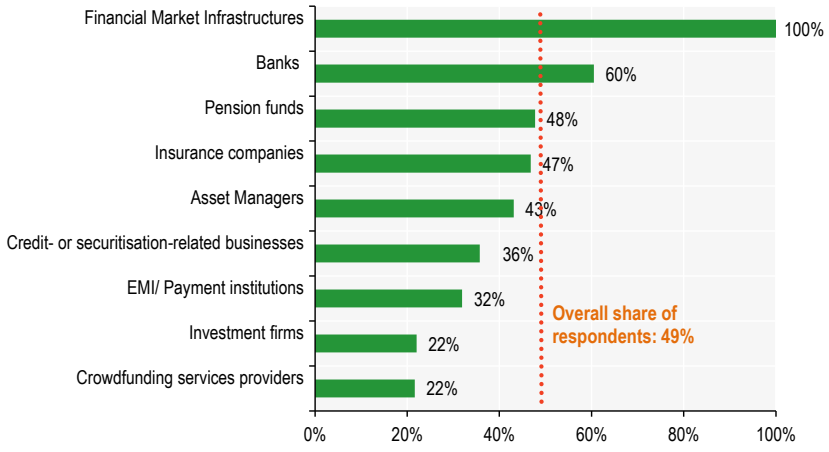


Note: Percentages are calculated based on the number of respondents per sector (shown in brackets on the Y axis). This question was mandatory, with 450 responses received. Although most responding mutual banks use AI, only approximately 11% of the licensed institutions in this category answered the survey (Federcasse, 2025[5]).
Source: 2025 OECD Survey on the use of AI in Italian financial markets.

The analysis includes all main sectors of financial activity (e.g. banks, asset managers, insurers and pension funds), to provide a comprehensive view of the finance industry. The number of financial sector entities that responded to the survey represents 49% of the total number of supervised financial sector entities (including foreign firms with activity in Italy supervised by Banca d'Italia) (Figure 1.2).

National surveys across OECD countries also show widespread AI deployment in finance. A survey in Switzerland with 400 respondents found that 50% of institutions use AI or have initial applications in development, while a further 25% intend to adopt it within three years (FINMA, 2025[6]). In the United Kingdom, a survey with 118 respondents revealed that 75% of financial firms deploy AI (BoE/FCA, 2024[7]). A Bank of Japan study, involving 155 financial institutions, reported an AI usage rate hovering around 60% (Bank of Japan, 2024[8]). A survey in Finland with 83 respondents showed that 73% either already use AI solutions or plan to implement them within the next two years (FIN-FSA, 2025[9]). In France, a survey with 100 respondents showed that 90% use or plan to use AI in the short term, while 54% of respondents reported deploying AI use cases in production (AMF, 2026[10]). Asian financial firms are also testing and deploying AI with varying breadth and intensity (OECD, 2025[11]).

Figure 1.2. Share of respondents by sector



Note: This chart shows the share of firms in each sector that responded to the OECD project survey, among the list of entities provided by Banca d'Italia and other Italian financial authorities. Banca d'Italia's list of financial firms includes both Italian firms and foreign firms active in Italy. Financial market infrastructure is given a 100% rate as the four firms active in Italy all responded to the survey. The "overall share of respondents" reflects the number of survey respondents, as a share of the total validated and consolidated mailing list of 917 entities.
Source: 2025 OECD Survey on the use of AI in Italian financial markets.

1.2.2. Types of AI use cases in the Italian financial system

The survey offered 52 purposes, aggregated into 23 macro-areas for figures and analysis. To enhance clarity, these macro-areas were further divided into 17 applications and 6 methods. Applications represent AI outputs that directly support business outcomes, such as human resources, sales, modelling and post-trade. Methods represent AI outputs used across processes that indirectly lead to business outcomes, such as coding or data analysis. This section begins with macro-area analysis, followed by a deeper review of individual purposes. Annex A provides details on grouping methods and purposes.

Data analytics and output generation is the most common method for current and planned AI use (Figure 1. 3). Respondents reported 379 current uses and 761 planned uses over the next three years. This reflects the broad applicability of data analytics across sectors and business models. Other methods, such as translation and coding, also show strong adoption and are expected to grow steadily over the next three years.

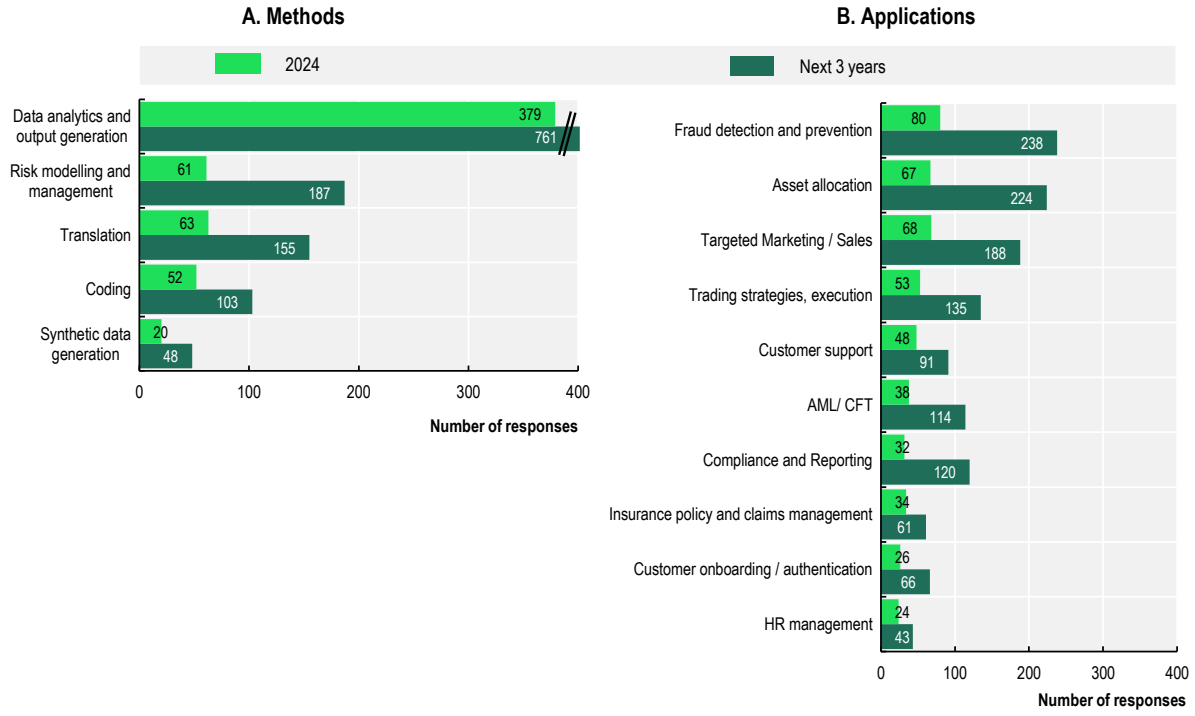
Fraud detection and prevention is the most widely used application and is expected to remain dominant through 2028. Financial market-specific applications receiving the most responses include asset allocation and trading strategies. Asset allocation covers portfolio management, investment research, robo-advice, financial advice and market analysis. Trading strategies include underwriting, IPOs, algorithmic trading, hedging, predictive analytics, forecasting and market-making. Respondents most frequently reported using AI for predictive analytics (21%), market analysis (17%) and investment research (11%). Few respondents reported current or planned AI use for new product development or post-trade processing, including P&L and reconciliations.

These results suggest AI is primarily used for business functions outside core financial market activities. This may reflect the respondent population, which includes institutions with limited market exposure, and a cautious approach to AI adoption. Firms appear to prioritise established applications such as data analysis and fraud prevention, while riskier, less tested purposes remain secondary.

Across OECD countries, financial institutions increasingly use AI for customer relations, marketing, process automation, and back-office operations, aiming to boost productivity, cut costs, and strengthen risk management. In the United States, AI spans nearly all financial functions (U.S. Department of

Treasury, 2024[12]), while UK firms focus on internal process optimisation, cybersecurity, and fraud detection (BoE/FCA, 2024[7]). Swedish and Finnish surveys highlight summarisation, translation, and automation (Finansinspektionen, 2024[13]; FIN-FSA, 2025[9]), whereas Japanese firms prioritises customer relations and targeting (Bank of Japan, 2024[8]). Dutch banks report AI use for creditworthiness and fraud prevention (DeNederlandscheBank/AFM, 2024[14]). Similarly, respondents to the French survey indicated internal applications, such as productivity tools and internal assistants as the most common use cases (86% of respondents), with no specific application to financial activities (AMF, 2026[10]). IOSCO notes rapid advancements and growing interest, with applications in trading, customer interaction, and internal operations (IOSCO, 2025[15]). IMF analysis shows current AI trends in capital markets follow machine learning practices, with broader applications expected in the medium term (IMF, 2024[16]). Firms also report AI use in robo-advising, algo-trading, research, sentiment analysis, and compliance monitoring, alongside experimentation in pre- and post-trading activities (OECD, 2024[17]).

Figure 1. 3. Current and expected use of AI by business macro-area



Note: This figure shows the number of times respondents reported using (or expecting to use) AI for various purposes, classified into "Methods" (Panel A) and "Applications" (Panel B). The survey question listed 52 "purposes" for AI use and was multi-choice. Panel B only shows the ten most commonly reported Applications. See Annex A for more information on the methodology used. Values for 2024 are based on 174 respondents, and values for the next three years are based on 360 respondents. The question on current purposes was mandatory, while the question for future purposes was not.
Source: 2025 OECD Survey on the use of AI in Italian financial markets.

1.2.3. Breakdown of AI use cases by financial sector

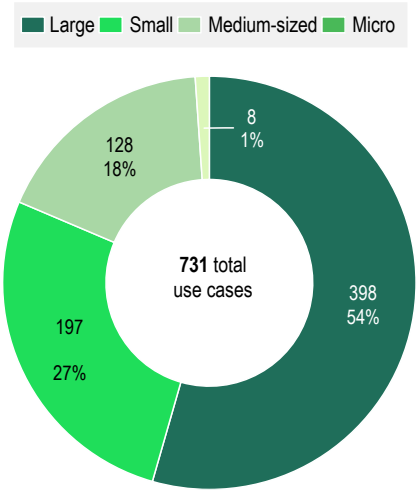
Among financial market respondents using AI, asset managers are strongly experimenting and deploying this technology. They reported nearly 1 000 AI use cases in experimentation or production, second only to banks, which reported over 2 500 use cases. Banks report more use cases in production and almost as many in development or experimentation as all other sectors combined. Banks also lead in average use cases per respondent, with insurance and reinsurance companies also reporting high averages.

Overall, aggregate use cases in production exceed those in development or experimentation by nearly 1 000. This difference is most pronounced in banking, while other sectors report similar numbers in both categories. This may indicate that banks invest more in viable use cases or are further ahead in AI implementation than other sectors.

The partition of number of AI use cases in experimentation per company size highlights the importance of banks and insurers in AI testing in Italy. These types of firms are strongly represented among large firms, and they have the highest volume of AI use cases in development, with 54%. Small firms report more participation in use cases than medium-sized firms. This higher representation of small firms reflects their greater presence among survey respondents, with 105 small firms compared to only 65 medium-sized firms (Figure 1.4). It is important to note that there are an additional 1 059 use cases in experimentation which were reported by firms that did not disclose their headcount.

Concerning use cases in production, the OECD survey indicated 400 cases (47%) deployed by large firms, 117 (14%) by medium-sized ones, 321 (38%) by small firms, and 7 (1%) by micro enterprises, with another 1 939 use cases reported by companies that didn't disclose their number of employees. Similar shares were found in the survey in France, where 51% of entities using AI were classified as large firms, while among the group that reported a lack of AI uses, 57% were small businesses and 28% were micro-enterprises (AMF, 2026[10]).

Figure 1.4. AI use cases in development and experimentation by firm size



Note: This figure shows the aggregated number of use cases reported by respondents, categorised by the size of responding firms. Firm size is calculated based on the number of employees disclosed by the responding firm. Firms that did not disclose the number of employees are not included in the figure. This question was mandatory.
Source: 2025 OECD Survey on the use of AI in Italian financial markets.

1.2.4. Role of third-party AI models and services

Firms face a strategic choice between purchasing AI models or developing proprietary ones. Large players often adopt a hybrid approach, building in-house models for competitive areas while relying on third-party solutions elsewhere. Third-party based AI is most common in data analytics and content generation, with strong current and expected use. Other frequent purposes include internal process optimisation, text generation, internal GPTs, fraud detection, translation and customer support. Expected growth is highest for fraud detection, asset allocation and targeted marketing. Specialised financial market tasks, such as post-trade processing or trading P&L, show limited reliance on third-party AI, reflecting a preference for internal development in high-risk areas.

Cloud services are the main method of AI deployment, reported by 74% of respondents. The fact that almost three-quarters of respondents depend on third party cloud services highlights the importance of robust AI governance frameworks. Other frequently used third-party services include GPAI model implementation (39%) and model implementation support (25%). Data acquisition services are used by 16%, while 9% of firms operate AI use cases without any third-party involvement (Figure 1.5, Panel A).

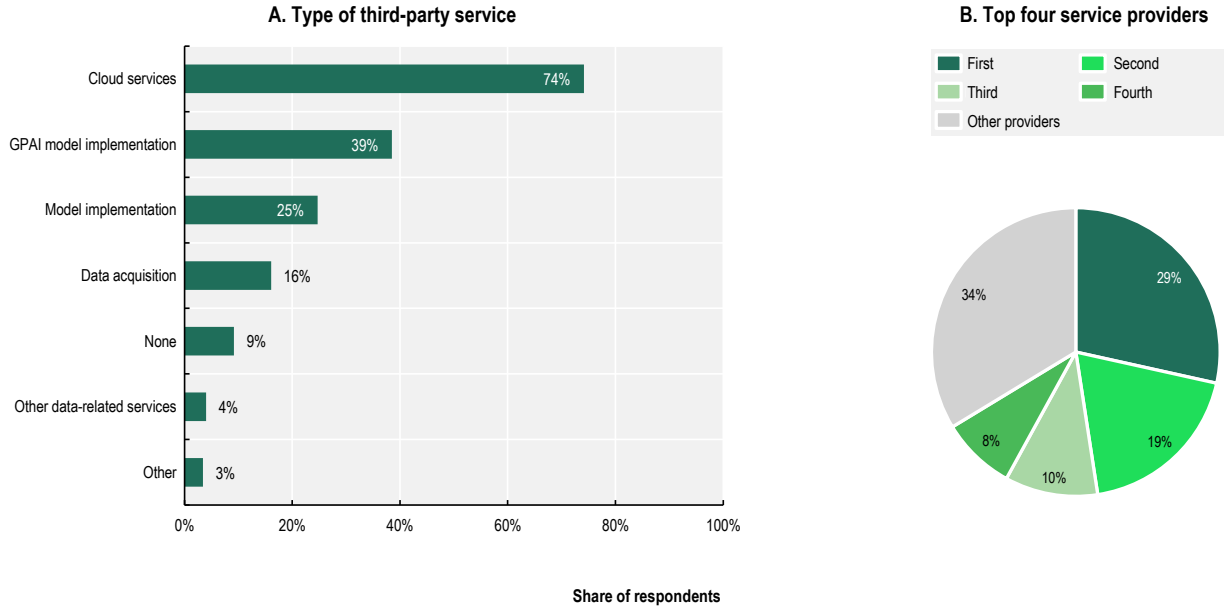
The most widely reported third-party provider was cited in 29% of responses. The second, third and fourth providers are reported by 19%, 10% and 8%, respectively (Figure 1.5, Panel B). A comparison may be drawn with similar results found in the survey conducted by the French AMF, where the top three AI service providers were non-European players, as reported by 33%, 13% and 11% of respondents (AMF, 2026[10]).

Firms adopt different approaches when selecting providers, influenced by company policy and size. Some evaluate existing cloud partners' AI offerings while avoiding exclusive dependence, maintaining dialogue with multiple vendors to compare services. Certain companies disclosed in project bilateral meetings that they do not prioritise Italian data centres, assuming all EU-based centres meet sovereignty requirements.[2]

Larger firms often rely on Big Tech providers, complemented by smaller local vendors. Big entities establish backups for every engaged cloud provider, enabling migration if switching becomes necessary. One mid-sized company stated its choice depends on shared objectives and responsiveness. It prefers start-ups over Big Tech, believing smaller firms react faster and may provide source code when partnerships end.

During OECD consultations, global firms reported using vendor-provided tools, open-source solutions, and pre-trained models in certain cases. As major vendors roll out new products, firms increasingly integrate and customise these tools to meet specific operational needs. Large vendors remain the preferred choice because their enterprise-level products include features addressing privacy and security concerns. These solutions also offer integration within existing systems, making them attractive for financial institutions.

Figure 1.5. Use of third-party services for AI deployment



Note: Percentages in Panel A are calculated based on 174 firms declaring the use of AI. Respondents could select multiple answers. This question was non-mandatory. Panel B counts the number of references to each of the top four providers, as well as the references to all other providers combined. Respondents were asked to specify the top three service providers. A total of 288 responses were provided. This figure makes no distinction between the first, second and third provider reported by respondents.
Source: 2025 OECD Survey on the use of AI in Italian financial markets.

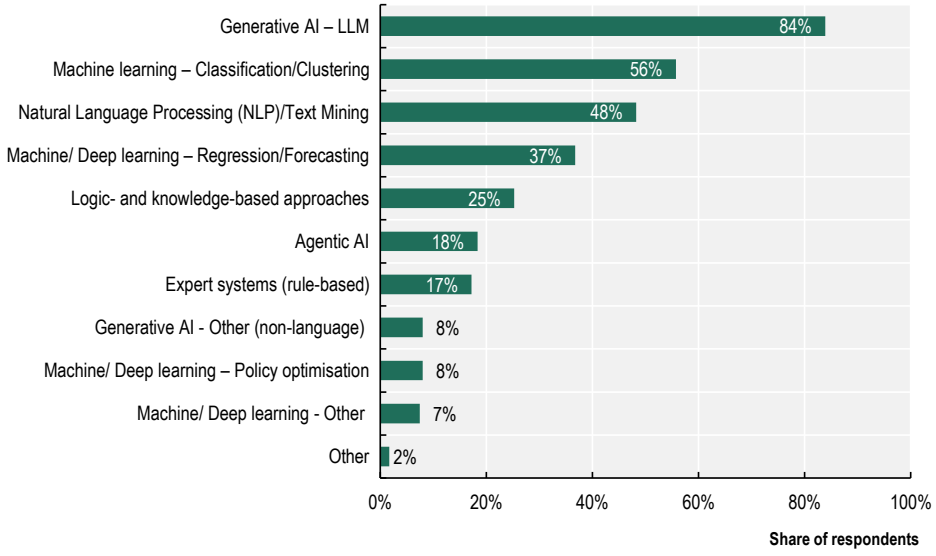
1.2.5. Use of general-purpose AI models by financial institutions

Generative AI (GenAI) models[3] are the most reported type currently in use or in development, cited by 84% of firms disclosing information in this section (Figure 1.6). This dominance likely reflects respondents' high level of experimentation with language-based GenAI models and the fragmentation of traditional non-GenAI models across several categories in this analysis. Machine learning, particularly classification and clustering techniques, follows with 56% of respondents, while natural language processing and text mining are reported by 48%.

GenAI also predominates in Finland, France and Sweden. The use of GPAI was the most widely reported category in surveys conducted in Finland and Sweden, followed by machine learning and rule-based systems (FIN-FSA, 2025[9]; Finansinspektionen, 2024[13]). Similarly, in France the use of GenAI was reported by 52% of respondents, followed by NLP and supervised learning (AMF, 2026[10]). The spike in the use of GPAI is relatively recent. As the Swedish survey shows, all GPAI use cases were taken into production between2 022 and 2024 (Finansinspektionen, 2024[13]).

Other disclosed AI model types include machine and deep learning for regression and forecasting (37%), logic and knowledge-based approaches (25%), agentic AI (18%) and rule-based expert systems (17%). In the "other" category, respondents listed supervised and deep learning models such as gradient boosting, random forests, deep neural networks and vision transformers. They also mentioned reinforcement learning, generative adversarial networks for weather nowcasting and synthetic data, large language models for document classification and clustering, and tools like Google Vision API, Microsoft Copilot and Chatgpt.

Figure 1.6. Types of AI models deployed or in development



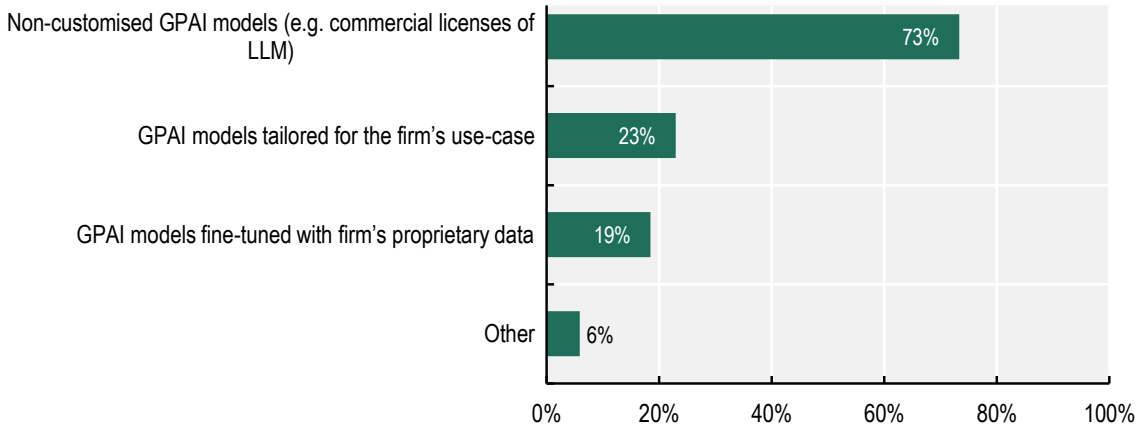
Note: Percentages in this figure are calculated in relation to 174 firms that answered this question. This question was mandatory.
Source: 2025 OECD Survey on the use of AI in Italian financial markets.

Respondents deploying GPAI models mainly use non-customised licensed models, such as commercial LLM licences, accounting for 73% of responses. Tailored GPAI models for specific use cases represent 23%, while fine-tuned models using proprietary data account for 19% (Figure 1.7).

Answers in the “other” category include tools from popular vendors, such as models on public cloud with private networks, private cloud with secured networks, proprietary on-premise models and private accounts. Some respondents report not using any third-party proprietary general-purpose AI models.

Many firms block open and freely accessible GPAI tools due to security concerns. Alongside technical blocking, companies monitor user access to such resources regularly. Respondents also roll out tools aligned with company data protection policies. For example, one firm uses a tool under a contract tailored to company-specific terms and conditions. This is supported by company-wide communications instructing employees on safe tool usage without disclosing confidential information.

Figure 1.7. Types of GPAI models used



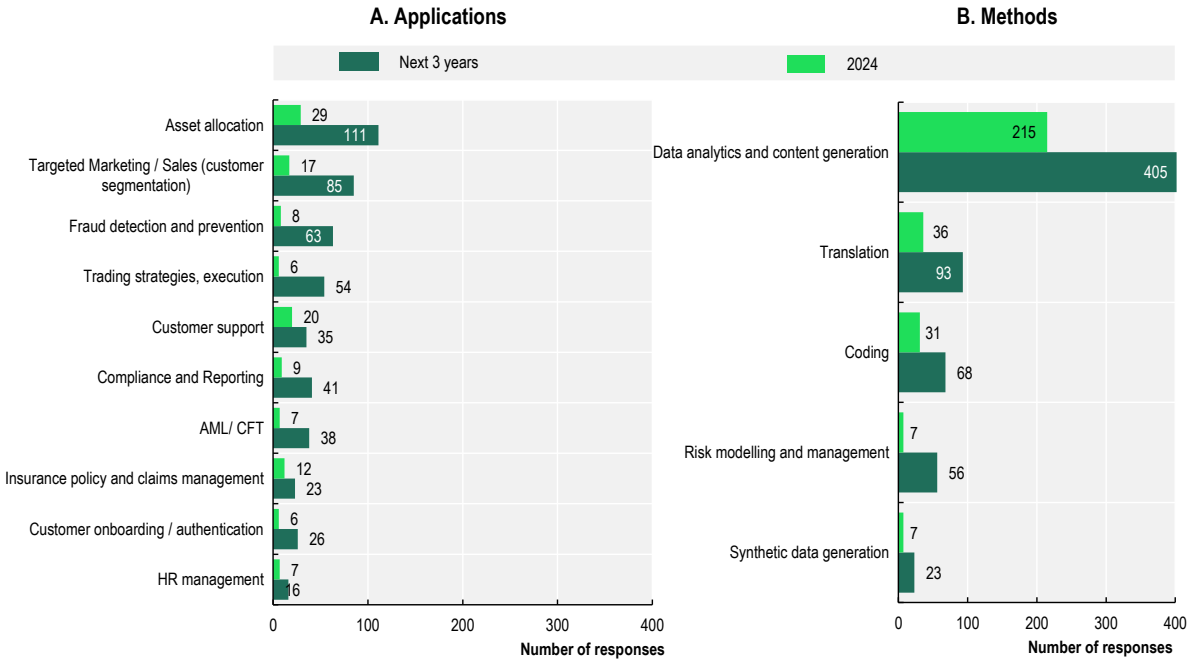
Note: Percentages in this figure are calculated in relation to 135 firms that answered this question. The question was not mandatory.
Source: 2025 OECD Survey on the use of AI in Italian financial markets.

Data analysis and content generation are the highest-ranked method for GPAI use, both currently and in future plans (Figure 1.8, Panel B). Respondents report 215 current uses and 405 planned uses over the next three years. Translation is also popular, with 36 current mentions and 93 planned, followed by coding with 31 current and 68 planned uses. Macro-areas with the fewest responses include new product development, post-trade processing, credit underwriting and pricing, profit and loss calculations in trading, reconciliations and pension contribution collection.

The outlook for GPAI applications in financial markets is significant. Although numbers remained modest in 2024, respondents indicate strong intentions for 2025-2028. Asset allocation receives 111 mentions for planned GPAI use, while trading strategies receives 54. Respondents in asset allocation show greater enthusiasm for GPAI than for AI, ranking it as the most important GPAI application. Fraud detection and prevention remains a popular application for traditional AI (Figure 1.8, Panel A).

Globally, firms currently use or plan to use GPAI for internal operations, communication, and risk management, while fully automated end-to-end applications remain in development (OECD, 2023[18]). Early applications include summarisation, translation, and context-sensitive information retrieval, mainly for internal, lower-risk purposes rather than customer-facing ones (IOSCO, 2025[15]). Authorities increasingly monitor GPAI use, as reflected in national surveys: 91% of Swiss AI users employ generative tools like chatbots (FINMA, 2025[6]); 78% of US firms and 74% of Finnish respondents report GPAI deployment (U.S. Department of Treasury, 2024[12]; FIN-FSA, 2025[9]). In Japan, 60% of institutions use GPAI for summarisation, proofreading, translation, and operations, with performance rated as meeting or exceeding expectations in all business fields except for “search for information on internal rules” category (Bank of Japan, 2024[8]).

Figure 1.8. Current and future use of General-Purpose AI by business macro-area

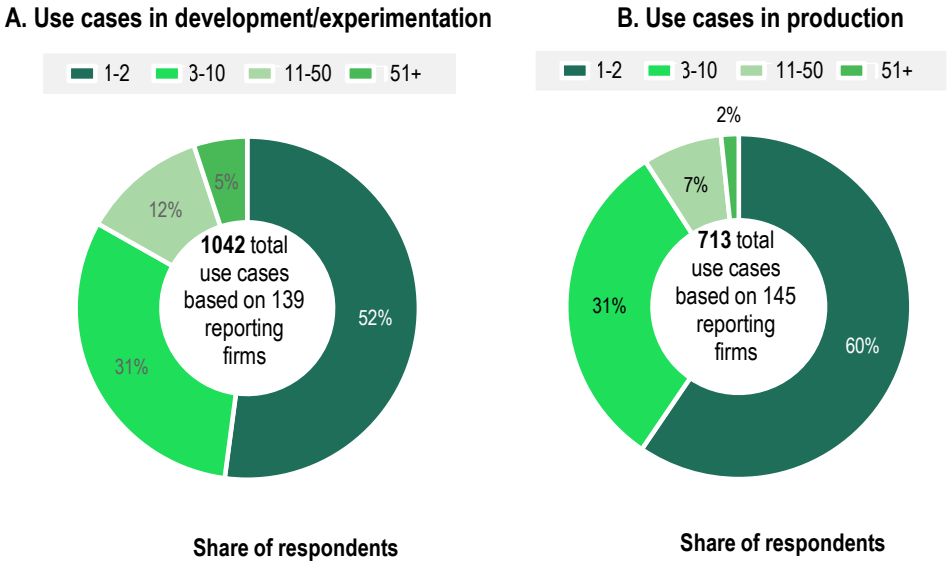


Note: This figure shows the total number of times respondents reported using (or expecting to use) GPAI for various purpose, classified into "Applications" (Panel A) and "Methods" (Panel B). The survey question listed 52 "purposes" for AI use and was multi-choice. Panel B only shows the 10 most commonly reported Methods (total of 18 Methods). See Annex A for more information on the methodology used. Values for 2024 are based on 174 respondents, and values for the next three years are based on 360 respondents.
Source: 2025 OECD Survey on the use of AI in Italian financial markets.

In total, GPAI use cases in development or experimentation total 1 042, compared to 713 in production (Figure 1.9). A relatively high proportion of respondents report only one or two GPAI use cases in production, development or experimentation. A slight majority have one or two GPAI use cases. Additionally, 48% of respondents report three or more GPAI use cases in development or experimentation, compared to 40% in production. Notably, five respondents report over 70 GPAI use cases in development or experimentation, while only one reports such a number in production.

Industry feedback indicates firms reduce GPAI use cases when moving from development to production compared to non-GPAI models. This may reflect market enthusiasm for GPAI, its higher risk profile, and its status as a newer technology still in experimentation. Firms also highlight challenges in progressing from proof of concept to full deployment. Several disclosed that initial enthusiasm during proof-of- concept phases often leads to perceived underwhelming returns at deployment, resulting in fewer production use cases than originally planned.

Figure 1.9. General-Purpose AI use cases in development, experimentation and production



Note: This figure shows the share of responding firms based on the number of GPAI use cases they have in development and experimentation (Panel A), and in production (Panel B). Respondents are grouped by number of use cases (1-2, 3-10, 11-50 and over 50). 139 firms reported at least 1 use case in development and experimentation, and 145 firms reported at least one use case in production. Respondents who reported no use cases are not included in the figure.
Source: 2025 OECD Survey on the use of AI in Italian financial markets.

1.2.6. The benefits of AI deployment

Italian financial institutions already report tangible benefits from deploying AI. Three-quarters of firms using AI report operational efficiencies, while 62% mention productivity gains and 45% highlight improved internal processes. Respondents also cite coding efficiencies (33%), cost reductions (30%) and better translation (29%). Front-office benefits include improved decision making (49%), new analytical insights (22%), predictive analytics and marketing or sales improvements (both 17%). Respondents see faster and less costly operational tasks as the most noticeable benefit of AI. These appear easily attainable at the current AI stage for most finance companies, requiring little or no tailored models or expensive data training (Figure 1.10).

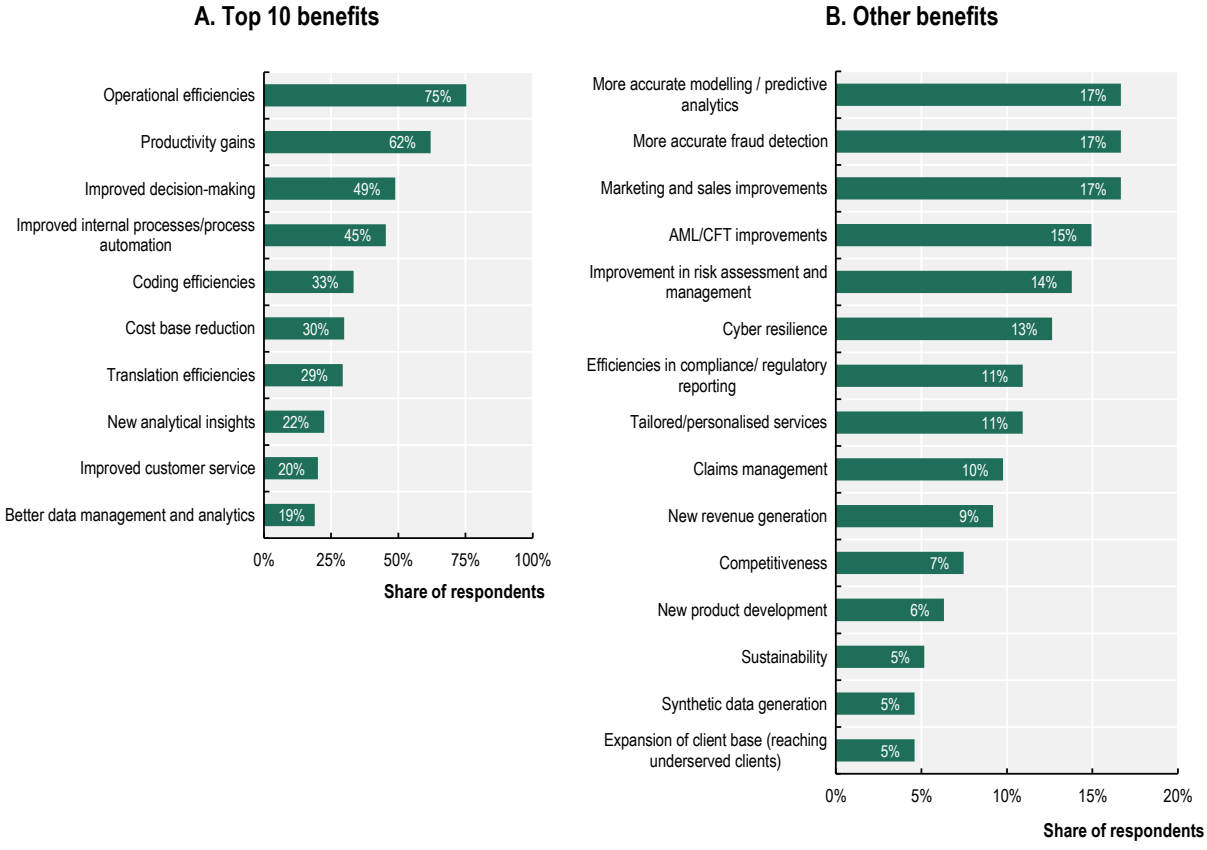
Financial market-specific benefits remain rare. Fewer than 3% of respondents report improvements in portfolio allocation, trading strategies, or execution efficiency. This contrasts with frequent AI use in asset allocation and trading strategies, suggesting a lack of technology maturity for these purposes. Some benefits may have been categorised under broader operational gains, as AI often supports isolated steps rather than full integration. Competitive advantage for financial market participants may also arise from internal efficiencies, freeing resources for tailored AI models. Improved decision making, reported by half of firms, could extend to market activities as trust in AI outcomes grows. Additionally, as resources are freed from routine internal tasks, such as administrative processes, they may be allocated to developing AI models tailored to financial market needs.

These gains are expected to grow, with OECD analysis showing that the finance sector could achieve 12% productivity growth over the next decade across G7 economies from AI adoption (Filippucci et al., 2025[19]). The results highlight variations in AI-related labour productivity gains across the G7, with the United States, the United Kingdom and Germany presenting the highest expected productivity gains. Such a scenario may be influenced by the composition of national economies, with countries that have a higher concentration of AI-exposed industries experiencing greater productivity gains (Filippucci et al., 2025[19]).

UK financial sector participants most frequently identify benefits such as data and analytical insights, AML monitoring, fraud prevention, and cybersecurity (BoE/FCA, 2024[7]). In Finland, respondents emphasise improvements in internal processes, enhanced customer experience and support, alongside significant cost reductions, as the most valuable gains (FIN-FSA, 2025[9]). Respondents to the French survey reported data analysis, cost reduction and internal process improvement among the main benefits of AI deployment (AMF, 2026[10]).

The discrepancy between usage frequency and perceived benefits may indicate very early stages of technological adoption for these purposes. Another explanation could be that respondents classify more efficient or less costly issuing, trading, clearing or settling under generic categories such as operational efficiencies and productivity gains. AI may also support specific steps of issuance, trading, clearing or settlement without full integration across the process, contributing to perceived benefits relevant to financial markets.

Figure 1.10. Benefits of existing AI use cases



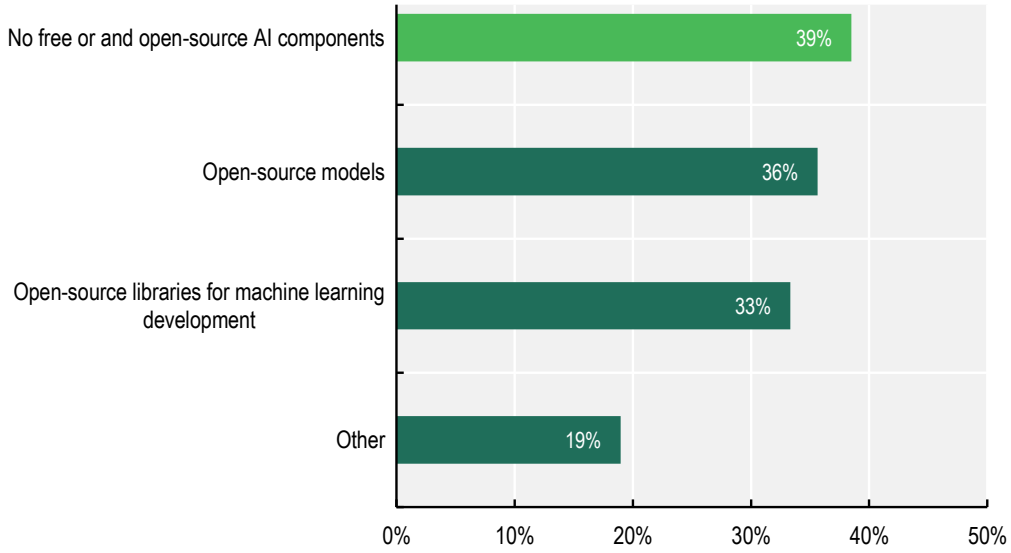
Note: Percentages in this figure are calculated based on 174 firms declaring the use of AI. Responses are broken down into the top 10 benefits (Panel A) and other benefits (Panel B). Benefits reported by fewer than 5% of respondents are not shown. This question was non-mandatory.
Source: 2025 OECD Survey on the use of AI in Italian financial markets.

1.2.7. Use of open-source models and components

Among Italian firms deploying AI, 39% do not use any free or open-source components.[4] For those that do, open-source models show slightly higher penetration than ML development libraries, both near 35% of respondents (Figure 1.11). The most reported open-source components in the “other” category were

OpenAI tokens. Several companies disclosed that although they experiment with open-source components, deployment limitations arise from the need for substantial internal expertise to ensure efficient implementation. Firms also remain cautious, citing the high level of risk involved. At the same time, certain actors expect significant reliance on open-source components in the future.

Figure 1.11. Use of free and open-source AI models and components

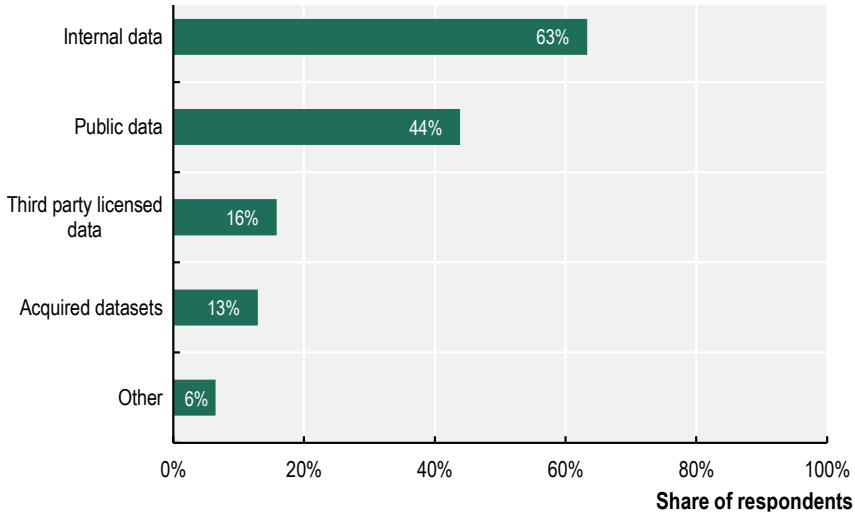


Note: Percentages in this figure are calculated in relation to 174 firms declaring the use of AI. Respondents could select multiple answers. This question was mandatory.
Source: 2025 OECD Survey on the use of AI in Italian financial markets.

Among Italian firms responding to the question on training data types, 63% use internal data for training or fine-tuning AI applications. Additionally, 44% rely on publicly available data. A further 16% disclose using third-party licensed data, while 13% employ acquired datasets for training or fine-tuning purposes (Figure 1.12). In comparison, the French survey found that 40% of AI tools use only internal company data, while the rest takes into account public data, licensed commercial data or a combination of approaches (AMF, 2026[10]).

During OECD consultations, global firms reported that internal AI projects face significant obstacles due to restrictions on data usage, including licensing, ownership, and contractual limitations. Several firms disclosed abandoning proof-of-concept projects because extending data usage licences proved too costly. Other challenges involve obtaining agreements from every stakeholder before developing new applications – a process repeated for each separate project. One firm described a lengthy consent process for an AI application using bond issuance data with fragmented ownership across providers in the value chain, ultimately leading to project abandonment. Firms also stressed the need for efficient internal data governance structures to optimise data utilisation for AI development and manage third-party provider involvement effectively.

Figure 1.12. Types of data used to train or fine-tune AI models



Note: Percentages in this figure are calculated based on the 139 firms that answered this question. This question was not mandatory.
Source: 2025 OECD Survey on the use of AI in Italian financial markets.

1.2.8. Challenges and approaches to explainability of AI models

Across jurisdictions, explainability remains a persistent governance challenge for financial firms and supervisors, especially with complex and non-deterministic models, as opacity can undermine accountability and consumer trust (OECD, 2024[17]; IOSCO, 2025[15]). Firms and authorities increasingly require at least partially explainable outcomes in addition to keeping "human-in-the-loop," while insurers often favour simpler, more interpretable models in higher-impact use cases (OECD, 2024[17]; EIOPA, 2024[20]). Governance frameworks now elevate explainability as a focal control area. For example, participants in the Swiss survey highlighted that explainability is a key component of governance frameworks, alongside data protection, IT and cybersecurity (FINMA, 2025[6]). Firms also report struggling to balance certainty and explainability with black-box performance and call for clearer sector-specific guidance on what must be communicated to customers (OECD, 2024[17]). In response, many adopt harm-mitigation and impact-based assessments, tighter data-quality and provenance controls, and cross-functional governance to manage non-determinism and deployment risks (IOSCO, 2025[15]).

Survey results in Italy show high variation of explainability methods in use, indicating similar adoption across firms. Each of the explainability methods presented to respondents was chosen by a comparable share of participants, namely ex-ante techniques (49%), followed by ex-post model-agnostic techniques (46%), ex-post model specific techniques (42%) and in-process techniques (40%) (Figure 1.13, Panel A).

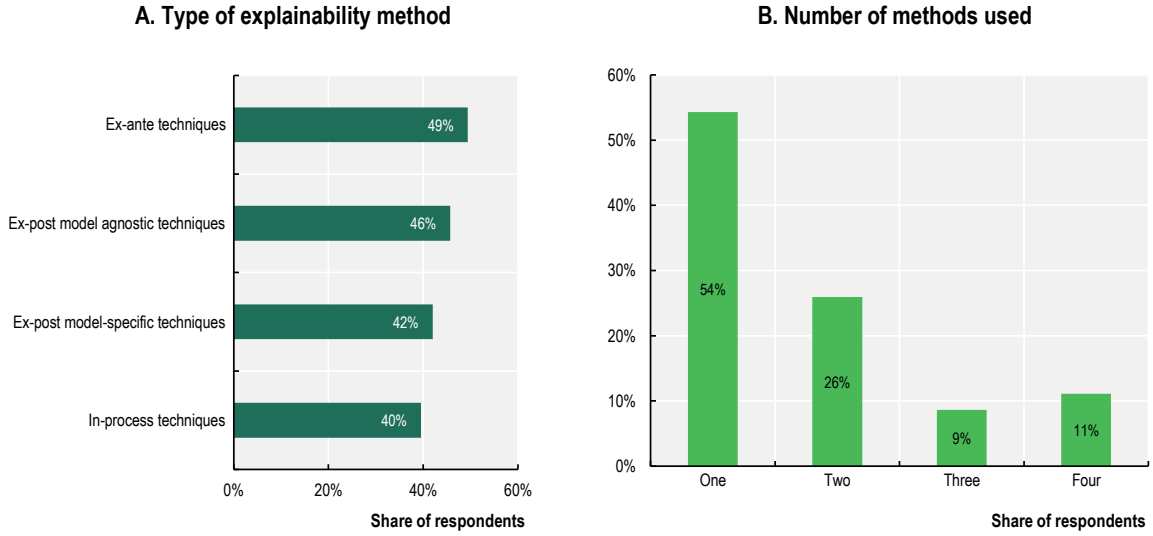
Most respondents (54%) use only one explainability method, highlighting the high degree of heterogeneity involved. Twenty-six per cent deploy two methods, and 9% use three. Eleven per cent employ all four types, representing firms with the highest transparency internally or to the market (Figure 1.13, Panel B).

For ex-ante techniques, respondents report implementing measures during design to improve explainability. These include clear and understandable features, prompt engineering, targeted training and supervised learning. For ex-post techniques, Shapley values (SHAP) are most frequently mentioned, while manual review and combined approaches appear less often.

One company disclosed prioritising inherently interpretable models whenever feasible. When complex "black-box" models such as deep learning networks or gradient boosting machines are required, the firm

applies post-hoc explanation techniques such as SHAP, LIME or attention mechanism analysis. This example illustrates how firms combine multiple techniques to enhance AI model explainability.

Figure 1.13. Explainability methods used to interpret AI outputs



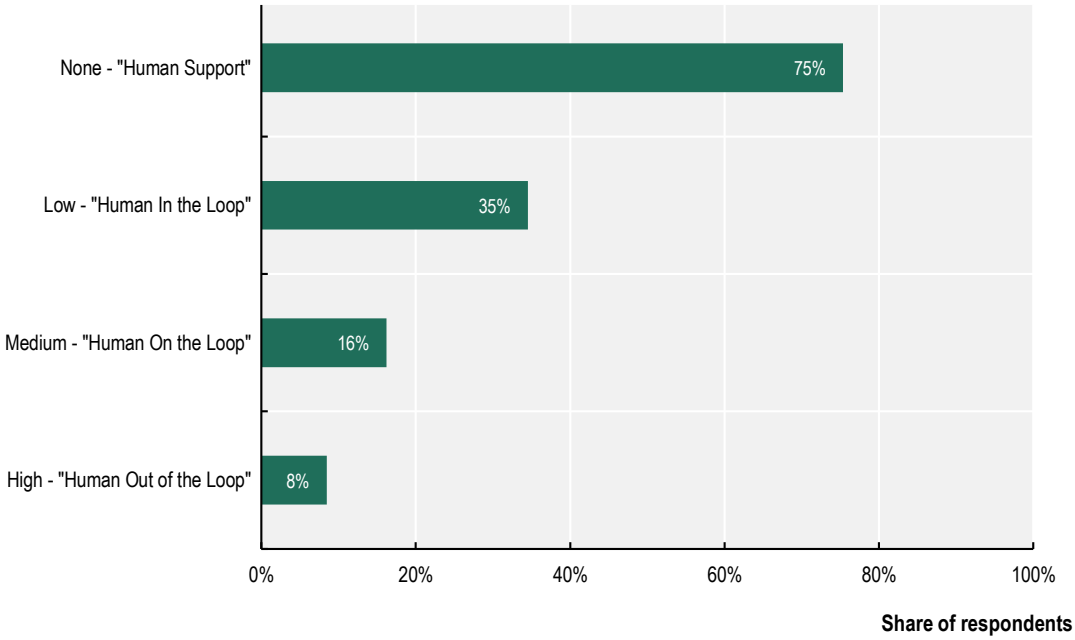
Note: Percentages in this figure are calculated based on 81 firms that answered this question. This question was not mandatory. Respondents could select multiple answers. Panel A shows the number of respondents that selected each explainability method, while Panel B shows the number of respondents that selected one, two, three or four of the methods in Panel A.
Source: 2025 OECD Survey on the use of AI in Italian financial markets.

1.2.9. Level of action autonomy across AI models

Among Italian entities providing input on action autonomy, 75% operate under no-action autonomy, meaning “human support”. A low-action autonomy or “human-in-the-loop” is observed in 35% of firms, while 16% report medium-action autonomy or “human-on-the-loop”. Only 8% of respondents indicate their AI use cases operate with high-action autonomy, described as “human-out-of-the-loop” (Figure 1.14). Companies deploy AI use cases with significant human involvement, consistent with their risk management frameworks.

Across jurisdictions, firms largely limit AI action autonomy to augmentation with human-in-the-loop, reserving fully automated decision-making for narrow, lower-risk tasks; end-to-end autonomy remains mostly in development for financial-market uses (OECD, 2023[18]; IOSCO, 2025[15]). “Human in the loop” was the most reported security measure in the French survey (AMF, 2026[10]). In capital markets, autonomy appears in pockets such as adaptive algorithmic trading that can identify and execute trades without human intervention, yet asset-management processes still use AI to inform choices rather than decide, and fully AI-based investment processes are marginal (OECD, 2021[21]; ESMA, 2023[22]; 2025[23]). Banking deployment is cautious, with GPAI in pilots or sandboxes focussed on productivity rather than autonomous decisions (EBA, 2024[24]). Insurance firms emphasise interpretable models under human oversight, with high-impact uses requiring Management/Executive Board approval, reinforcing constrained autonomy (EIOPA, 2024[20]). Supervisory use of GPAI is supportive, not decisive; decision-making remains human-led (Prenio, 2025[25]). Governance guidance stresses defined human intervention points for high-risk scenarios (e.g. credit scoring, algorithmic trading) and harm-mitigation/impact assessments to manage non-determinism- further curbing autonomous operation (Crisanto et al., 2024[26]; IOSCO, 2025[15]).

Figure 1.14. Level of action autonomy



Note: Percentages in this figure are calculated based on 142 firms that answered this question. This question was not mandatory.
Source: 2025 OECD Survey on the use of AI in Italian financial markets. The four levels of action autonomy are based on the OECD Framework for the Classification of AI systems (2022[27]), https://www.oecd.org/en/publications/oecd-framework-for-the-classification-of-ai-systems_cb6d9eca-en.html.

Only 10% of firms using AI reported employing secondary or challenger models. Among this small group, one-third are banks. Firms stated that secondary or challenger models serve multiple purposes. They evaluate outputs from primary models, enhance performance, cross-check accuracy, and support specific tasks. They also validate models, act as backups if primary models fail, assist during development, complement staff controls, and help identify the most effective model for a given application. Respondents not using secondary or challenger models usually cited limited AI adoption within their organisation, implementation at group level, or outsourcing AI solutions to external providers. Some respondents rely solely on commercially available AI systems, including Chatgpt, Microsoft Copilot, Leonardo.ai, and other externally developed and managed tools.

1.3. Governance frameworks for AI technologies in the Italian finance sector

1.3.1. Governance structures and AI oversight by functions

Governance rules form part of the existing financial sector regulations that also apply to the deployment of AI technologies. Several respondents to an OECD survey conducted in 2024 noted that market participants' willingness to adopt AI often depends on the robustness of governance frameworks, for example in the case of risks related to the use of AI in credit decision making. Survey respondents frequently identified weak governance as a key risk area (OECD, 2024[17]).

Survey results indicate that the differences among the top choices of AI governance structures are relatively minor, suggesting the absence of a single preferred framework. Additionally, rather than relying on a single structure, a large number of respondents tend to combine multiple tools and mechanisms as part of their overall governance structure for AI. Of the 450 survey respondents, 27% rely on AI strategy, guidelines, principles and/or codes of conduct as the governance framework for their use of AI applications

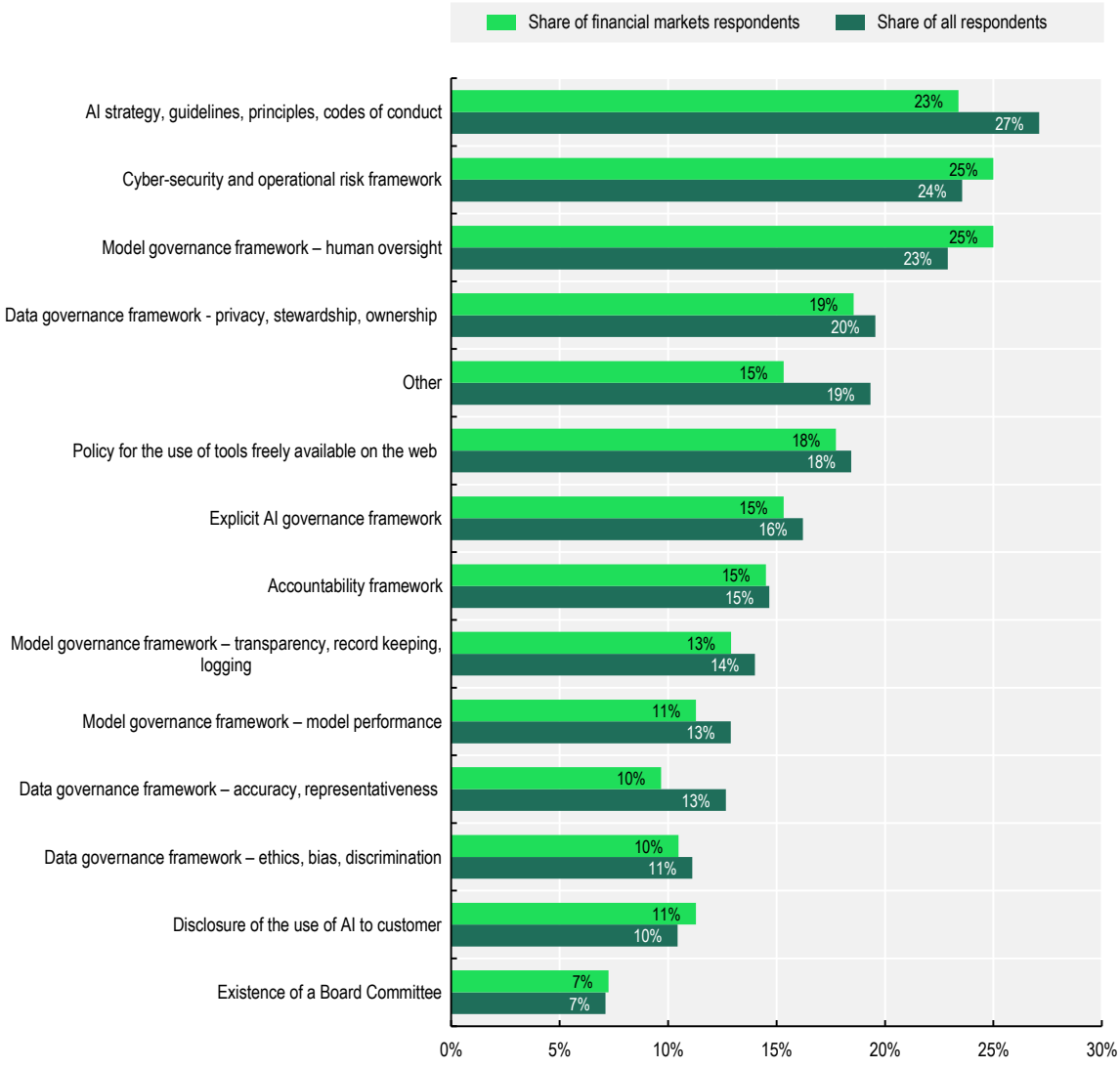
(Figure 1.15). A relatively similar share of respondents disclosed the use of cyber-security and operational risk frameworks and model governance frameworks under human oversight (24% and 23% of companies, respectively). One in five respondents use data governance frameworks, centred around concepts of privacy, stewardship and ownership. Other governance frameworks, controls or processes are put in place by 19% of respondents. Notably, establishment of an explicit AI governance framework was disclosed by 16% of respondents.

As respondents could select multiple options, many appear to combine various governance approaches depending on the specific area, for example, a group-level AI strategy complemented by cybersecurity and data governance-specific frameworks. This may be explained by the wide range of implications that the use of AI has at the operational and risk management levels for the firms.

Among the respondents with no governance framework, it was noted that existing non-AI specific controls, such as IT policies and codes of conduct, are currently deemed sufficient. In several cases, governance arrangements are established at the group level rather than at firm level, while in others, relevant measures are still under development or consideration.

Governance structures vary across institutions. For example, larger groups opt for global monitoring systems featuring a mix of centralised and local governance, to ensure checks and controls are accounted for along the AI model development lifecycle. Stakeholders interviewed by the OECD acknowledged that the success of the implementation of such governance frameworks will depend on fostering adequate corporate culture under a strong leadership.[5]

Figure 1.15. Choice of AI governance frameworks, controls and/or processes

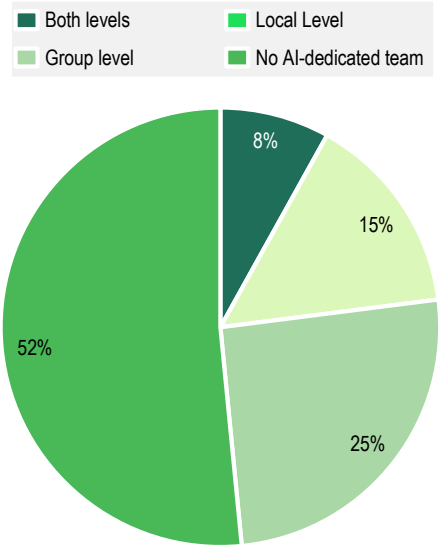


Note: The figure shows the share of all question respondents (450), and the share of respondents categorised as financial market participants (124), who chose each answer. The financial market participants include asset managers, securities investment firms, investment advisors, wealth managers, broker-dealers, central securities depositories, central counterparties or exchange/multilateral trading facility. Respondents could choose multiple answers. This question was mandatory.
Source: 2025 OECD Survey on the use of AI in Italian financial markets.

Out of 174 respondents using AI, 52% reported having dedicated data science teams within their companies for AI development and/or deployment. Most of these firms operate AI teams only at company group level, representing 25% of respondents (Figure 1.16). Fifteen per cent maintain teams exclusively at firm level, while 8% have teams at both levels. AI teams typically consist of one to five employees. Some firms adopt a federated structure, where a central AI team allocates resources to smaller teams for tailored use cases.

Firms cited several reasons for not creating dedicated AI teams. These include organisational constraints linked to size and budget, reliance on external providers, and ongoing AI exploration at group level rather than firm level.

Figure 1.16. Presence of AI-dedicated data science teams

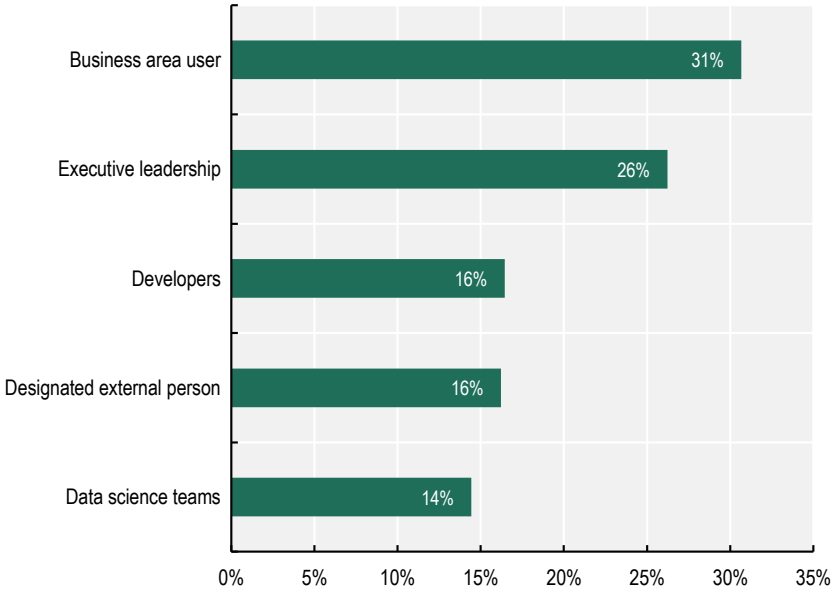


Note: Percentages are calculated using the number of firms that declared using AI and answered this question (161). Not every firm that declared using AI answered this question, which was non-mandatory.
Source: 2025 OECD Survey on the use of AI in Italian financial markets.

Across OECD countries, firms have adopted layered governance structures that integrate multiple frameworks, controls and processes to oversee AI deployment. For example, in the United Kingdom and Switzerland, most firms reported establishing dedicated governance strategies for AI (BoE/FCA, 2024[7]; FINMA, 2025[6]). In Finland, the majority indicated having an AI strategy, as well as AI-related ethical guidelines and codes of conduct. Notably, 94% of surveyed Finnish firms reported implementing an IT risk management system, which in most cases also encompassed AI (FIN-FSA, 2025[9]). In Switzerland, governance frameworks often focus on specific areas such as data protection, explainability, IT, cybersecurity, and risk management (FINMA, 2025[6]). In France, 72% of respondents reported implementation of internal AI-specific governance policy, mostly encompassing rules for the use of AI and data protection measures (AMF, 2026[10]).

Out of all survey respondents, 31% of firms disclosed assigning responsibility for AI-driven outputs within their AI accountability frameworks to business area users, while 26% of companies place it with executive leadership. A similar share (16%) of firms designated developers and other accountable persons from outside the firm as the responsible functions. Data science teams were the last commonly designated function category- (14% of respondents) (Figure 1.17). However, it is important to bear in mind that only a quarter of survey respondents reported having established dedicated AI teams. Among respondents who did not designate any specific responsible function, the most common explanations included the absence of current AI use cases, full outsourcing of AI models, or the allocation of responsibility at the group level.

Figure 1.17. Designated responsible functions within AI accountability frameworks



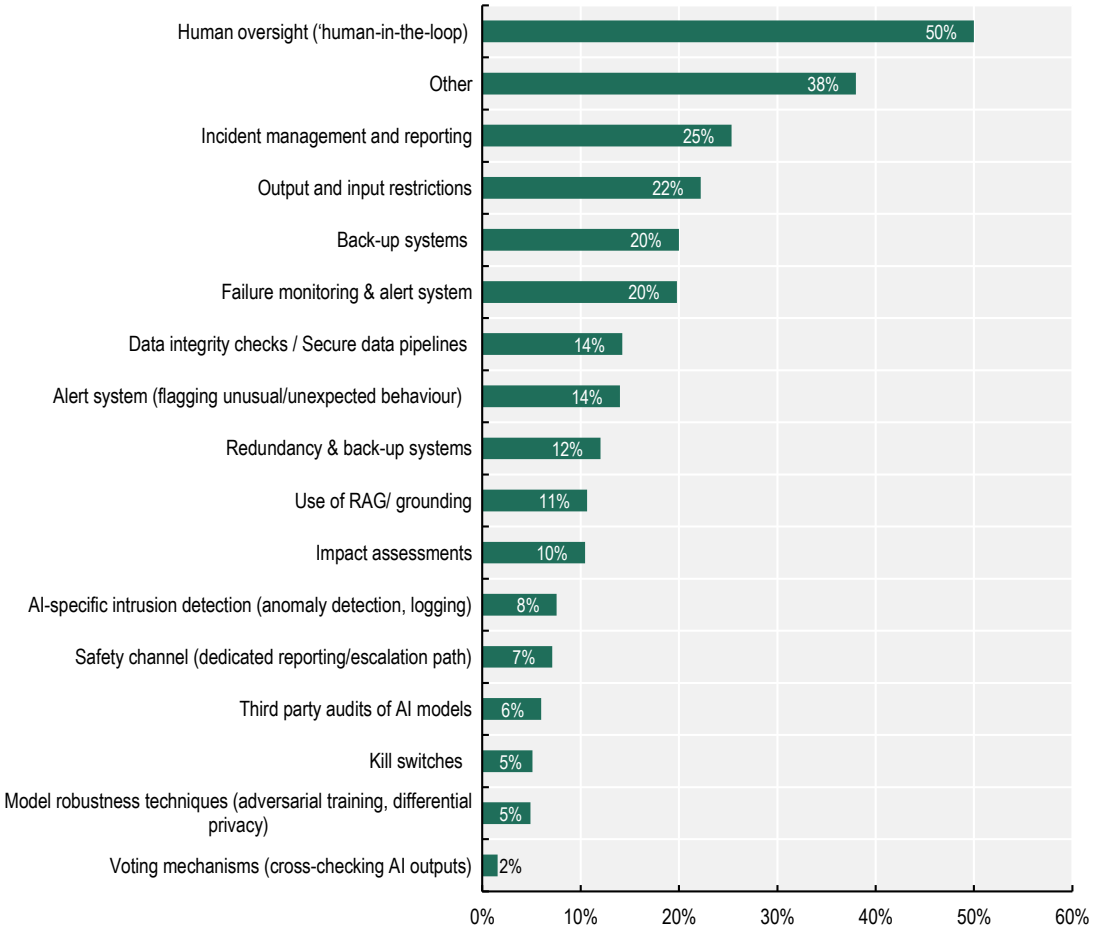
Note: Percentages in this figure are calculated in relation to all 450 respondents to the survey. Respondents could choose multiple answers. This question was mandatory.
Source: 2025 OECD Survey on the use of AI in Italian financial markets.

Accountability mechanisms are also becoming more widespread in other OECD jurisdictions. In the United Kingdom, 84% of firms designated an accountable person for AI outputs, most often within the executive leadership functions (BoE/FCA, 2024[7]). Similarly, Finnish firms reported assigning responsibility for AI-related outputs to managerial and director-level positions (FIN-FSA, 2025[9]).

1.3.2. Risk management, operational resilience and cybersecurity

Half of the respondents reported the use of human oversight (human-in-the-loop) as a key safeguard to manage the risks of unintended AI activity (Figure 1.18). Other safeguards were significantly less commonly identified – incident management and reporting mechanisms were cited by 25% of respondents, output and input restrictions by 22%, and the use of back-up systems and failure monitoring and ampersand alert systems by 20%. Firms also cited data integrity checks/secure data pipelines (14%), as well as alert systems for flagging unusual/unexpected behaviour (14%) as part of their risk management frameworks. To address ethical risks, firms aim to ensure the fairness of AI models. Particularly in use cases involving external stakeholders (e.g. customers), some firms avoid the use of sensitive data in AI model development, such as gender or ethnicity.

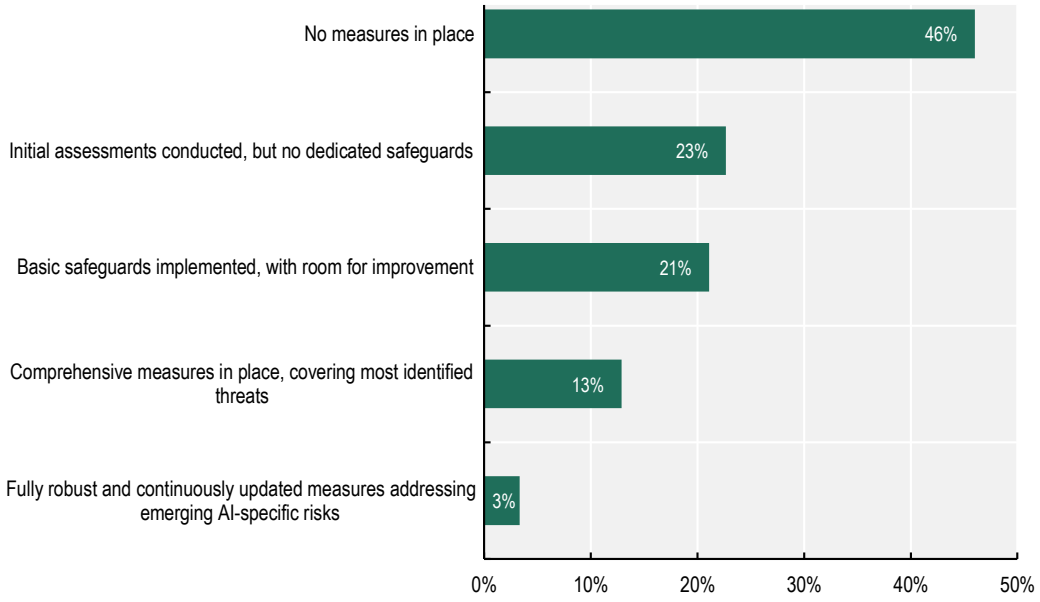
Figure 1.18. Safeguards for risk management of unintended AI activity



Note: Percentages in this figure are calculated in relation to all 450 respondents to the survey. Respondents could choose multiple answers. This question was mandatory.
Source: 2025 OECD Survey on the use of AI in Italian financial markets.

Almost half (46%) of respondents have not implemented any specific safeguards to address emerging AI-specific cyber threats (Figure 1.19). While 23% of respondents have conducted initial assessments, these have not translated into any dedicated safeguards. A share of 21% of firms are operating with basic safeguards, while acknowledging a potential need for future improvements. Meanwhile, for 12% of companies, the comprehensive measures set in place are assessed as covering most of the identified threats. Only 3% of firms have implemented fully robust and continuously updated measures concerning AI-specific risks.

Figure 1.19. Implementation of safeguards for emerging AI-specific cyber threats



Note: Percentages in this figure are calculated based on all 450 respondents to the survey. Respondents could choose multiple answers. This question was mandatory.
Source: 2025 OECD Survey on the use of AI in Italian financial markets.

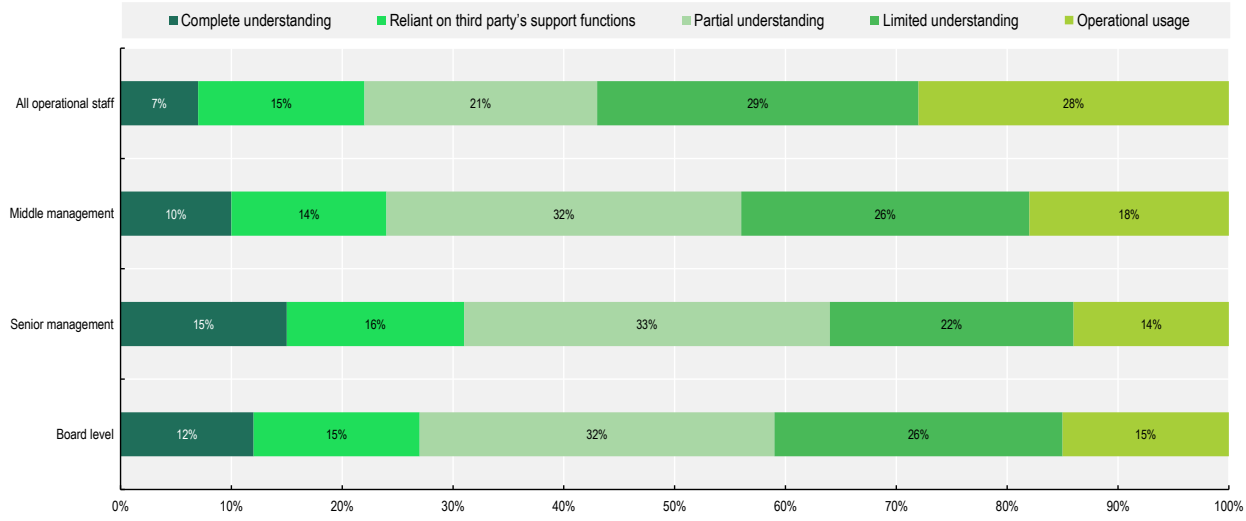
1.3.3. Level of understanding of AI technologies and talent needs

Operational level understanding of AI technologies was most widely reported for all operational staff, while complete understanding was most commonly identified for senior management. Among the operational staff, the majority were assessed as having either a limited understanding (29%) or only basic operational usage (28%) of the AI tools. For middle management, 32% of respondents indicated a partial understanding, while 26% are perceived to have a limited understanding. Although senior management, followed by board members, are perceived as those more knowledgeable in AI across different companies, such knowledge is still incipient. Senior management was reported to have a partial understanding by 33% of firms, and a limited one by 22% of respondents. Most respondents indicated that board-level comprehension is either partial (32%) or limited (26%) (Figure 1.20).

The identification of senior management and board members as the most knowledgeable function may be unexpected as these functions do not typically involve day-to-day technical aspects of AI operations and the use of AI tools. Notably, in the French survey, the level of understanding was also indicated to be the most developed at more senior levels (AMF, 2026[10]). This trend can be attributed to several factors. First, a quarter of respondents declared that executive leadership is the function responsible for AI outputs in their firms, ranking second after business area users, which could lead to enhanced exposure to AI technologies. Second, as seen throughout the questionnaire and disclosed by firms in bilateral meetings, the level of enthusiasm of firms regarding the opportunities presented by AI technologies may translate into a higher level of engagement by upper management than with other technologies, particularly in terms of guiding the development of company-wide AI strategies. A third factor may be that the interpretation of what “understanding” of AI technologies means is likely to differ depending on the function. As senior management may not deal with AI in day-to-day business operations, they may not be exposed to the technical aspects of such tools to the same extent than data science teams developing and deploying AI models. This could contribute to an enhanced perception of the understanding of AI technologies

compared with all operational staff, whose interpretation of what a complete understanding of AI implies may be different.

Figure 1.20. Perceived level of understanding of AI technologies by different functions

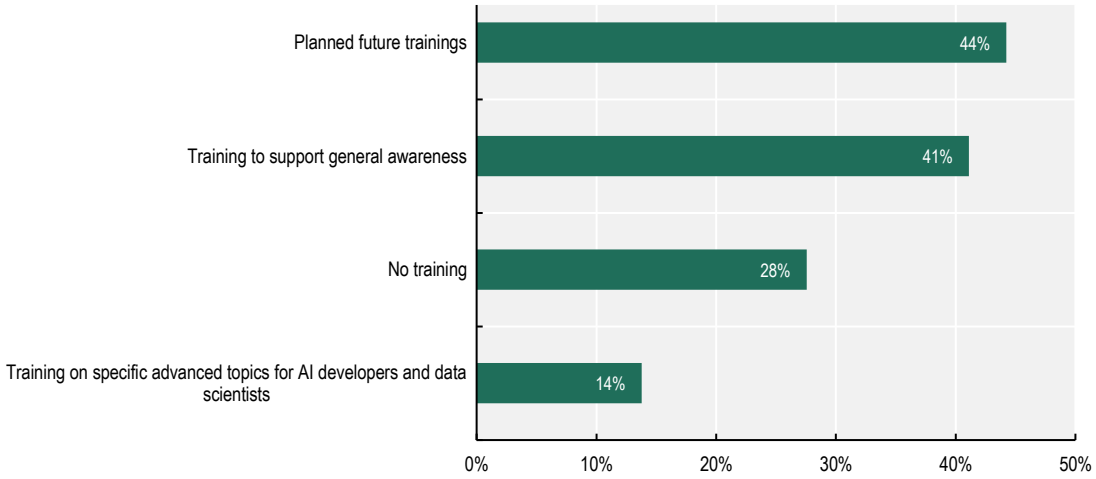


Note: Percentages in this figure are calculated based on all 450 respondents to the survey. Respondents had to choose one level of understanding per function level. This question was mandatory.
Source: 2025 OECD Survey on the use of AI in Italian financial markets.

In this context, it is worth noting that out of 174 respondents using AI, 52% reported having dedicated teams within their companies for AI development and/or deployment. Thus, the establishment of dedicated AI teams is not yet widespread in the Italian financial sector (Figure 1.16).

Plans to provide AI-related training to employees in the future have been reported by 44% of respondents. Currently, 41% of responding firms have offered such training at the general awareness level. In contrast, only 14% have provided specific advanced training for AI developers and data scientists. Notably, 28% of companies indicated that no AI-specific training has been provided to date (Figure 1.21). Since most firms either do not offer AI training or provide only general awareness-level sessions, it follows that AI training tailored to specific areas, such as particular financial market activities, is not yet widely available.

Figure 1.21. AI-related training of employees



Note: Percentages in this figure are calculated based on all 450 respondents to the survey. Respondents could select multiple answers. This question was mandatory.
Source: 2025 OECD Survey on the use of AI in Italian financial markets.

1.4. Key self-perceived constraints to AI deployment in Italian financial markets

1.4.1. Regulatory constraints

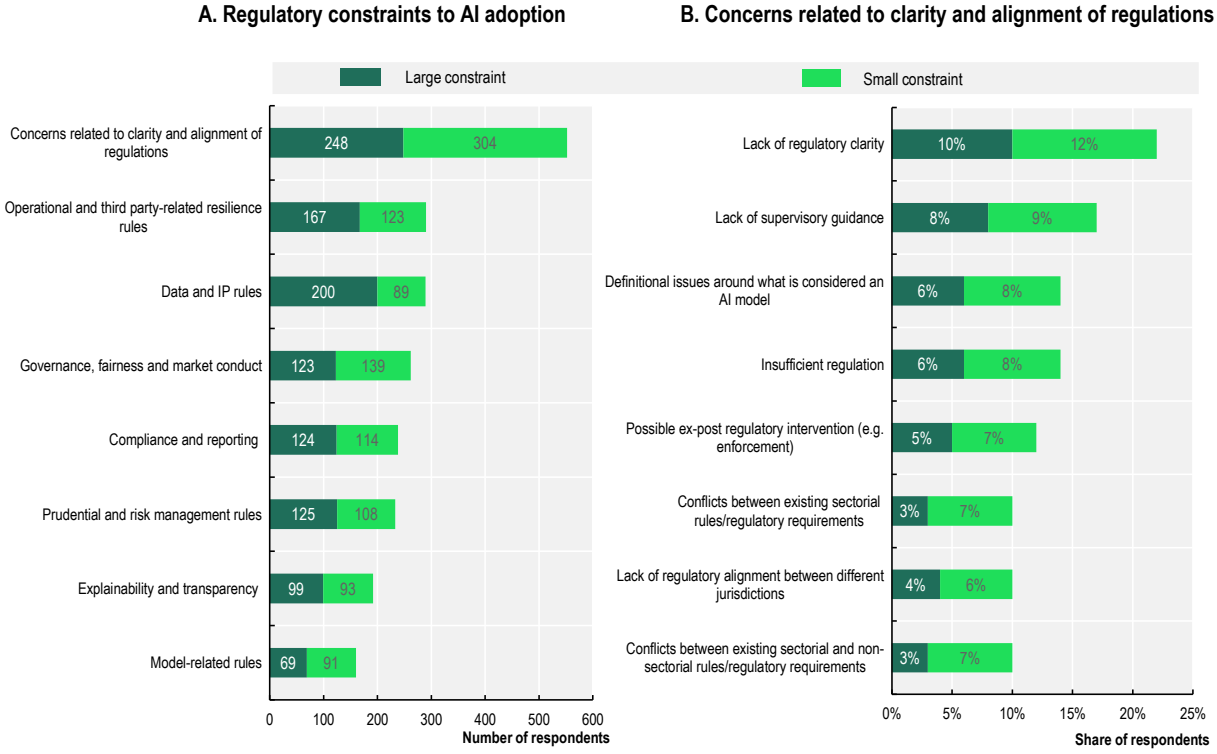
Survey respondents were asked to select from a list of 26 factors that constitute regulatory constraints to the adoption of AI use cases within their firms, and to classify them as either a large or small constraint. The 26 factors included in the survey were classified into eight categories in Figure 1.22 below. More details on the survey methodology may be found in Annex A.

Regulatory uncertainty and potential misalignment of rules are the most cited constraints to wider deployment of AI in finance in Italy, although they were mostly classified as small barriers. These were followed by regulations related to data protection and intellectual property, which were described by a significant portion of respondents as major barriers to broader AI adoption. Many respondents also highlighted operational and third-party regulations, as well as rules concerning governance, fairness, and market conduct.

Within the category relating to “clarity and alignment of regulations”, which was most often selected by respondents, one in five respondents cited a lack of regulatory clarity as either a large or small constraint to wider AI adoption. A significant share also identified the absence of supervisory guidance as a key limitation, with 8% of all respondents seeing it as a large constraint. Many firms reported challenges in defining what qualifies as an AI model, leading to confusion about the obligations associated with such a classification. Other concerns, generally viewed as small constraints, included conflicts with existing sector-specific rules, potential ex-post regulatory interventions, and a lack of alignment across jurisdictions.

Respondents underlined the role that the implementation of the AI Act will play in shaping their approach to AI deployment. The AI Act may be overlapping with the existing regulatory framework (e.g. CRR and DORA), which requires firms to review and integrate AI considerations into existing structures, increasing the cost and complexity of such compliance.

Figure 1.22. Regulatory constraints to AI adoption and concerns related to clarity and alignment of regulations



Note: Panel A: Absolute values calculated as sums of categories of constraints specified in Annex A. Respondents could select multiple answers. This question was non-mandatory; Panel B: Percentages were calculated based on all 450 respondents to the survey. This chart takes into account all factors under the "concerns related to clarity and alignment of regulations" category. Further information on survey methodology may be found in the Annex A. Respondents could choose multiple answers. This question was non-mandatory.
Source: 2025 OECD Survey on the use of AI in Italian financial markets.

Throughout the OECD consultations, certain global finance industry players identified a fragmentation of regulations as one of the key constraints to scaling up AI adoption. The regulatory areas of concern mostly related to data and privacy, followed by obligations related to consumer outcomes, especially with respect to ensuring fairness, explainability and ethical dimensions of AI use. An increasing use of third-party models and data is also an area of concern, where more regulatory guidance could be helpful.

Anecdotical examples from survey respondents show concerns that the plurality of bodies overseeing the implementation of the AI Act will lead to a highly bureaucratic implementation burden and possible conflicting guidance. There were also anecdotical concerns about ambiguities concerning definitions and scope of obligations. This uncertainty makes it challenging for firms to plan long-term AI strategies and assess the risks of their AI systems. Some survey respondents also expressed concerns over the risk of future ex-post interventions by regulators, once the AI Act and related guidelines are fully enforced.

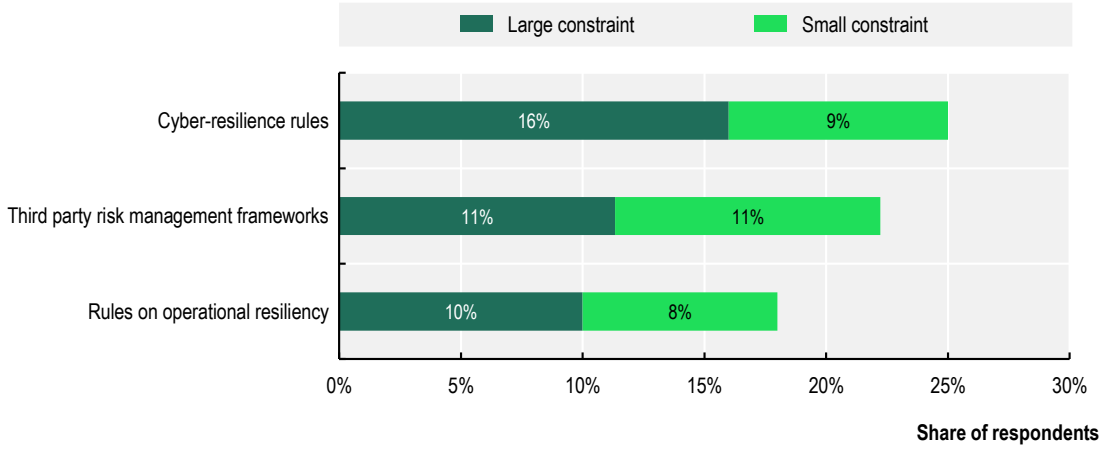
Despite these constraints, most respondents do not see any major conflicts with existing sector rules or regulatory requirements. Instead, firms call for more co-ordinated and proportionate regulatory guidance, tailored to the particular use cases of the financial sector. The absence of detailed supervisory guidelines increases uncertainty about how existing and future regulations will be interpreted and enforced. This is amplified in the case of cross-border operations, where inconsistent regulatory approaches may pose additional compliance issues at group level.

Constraints related to regulatory compliance are particularly burdensome for smaller firms, which claim that although they can navigate these regulations, their efforts are hindered by a lack of resources to invest in dedicated AI governance structures or training. As a result, some firms postpone adoption, rely on group-level solutions, or outsource AI development entirely.

Within the second most commonly selected category relating to "operational and third-party related resilience", 16% of survey respondents identified cyber-resilience obligations as large constraints, while third-party risk management frameworks and rules on operational resilience were identified as such by approximately 10% of all respondents (Figure 1.23).

Certain firms disclosed that they are currently facing issues with the implementation of the Digital Operational Resilience Act (DORA) as they find it challenging to map all relevant ICT actors, given the level of complexity of their operating system which often spread across different company group levels (EU, 2022[28]).

Figure 1.23. Operational and third party-related resilience rules



Note: Percentages in this figure are calculated based on all 450 respondents to the survey. This chart takes into account all factors under the "operational and third party-related resilience" category. Further information on survey methodology may be found in Annex A. Respondents could choose multiple answers. This question was non-mandatory.
Source: 2025 OECD Survey on the use of AI in Italian financial markets.

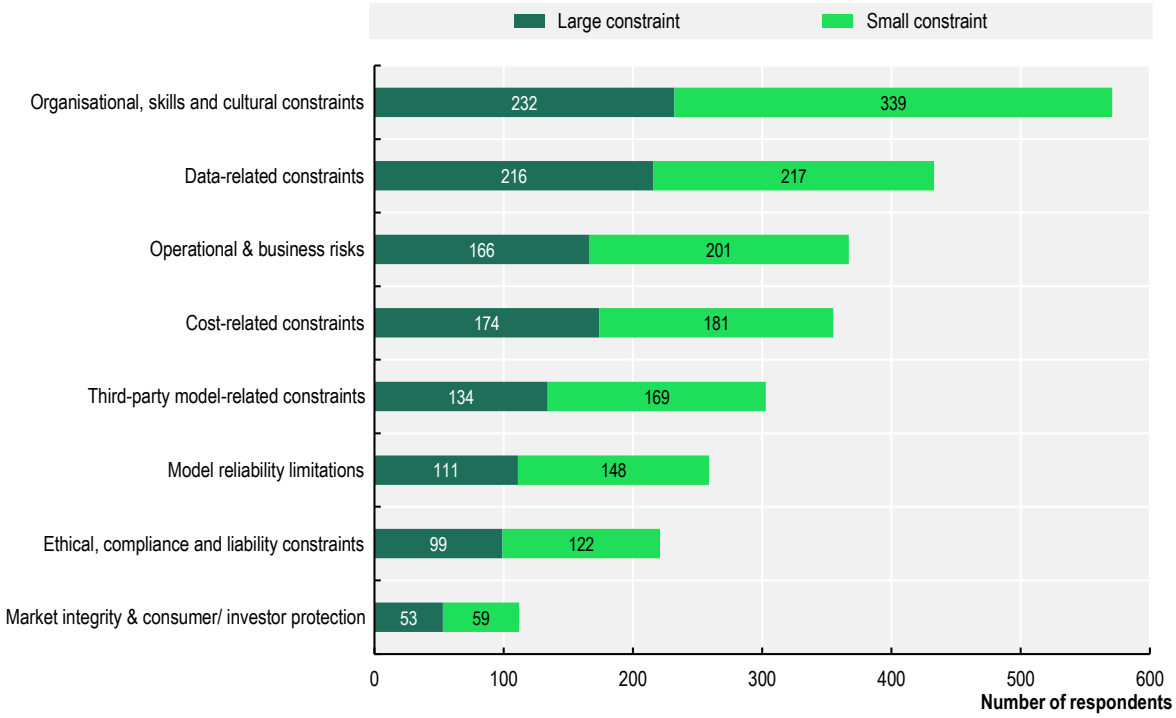
1.4.2. Non-regulatory constraints

The survey asked respondents to select from a list of 39 potential non-regulatory constraints to the further deployment of AI, which were classified into eight categories in Figure 1.24 below. More details on the survey methodology may be found in Annex A.

Organisational, skills, and cultural factors were the most frequently cited category of non-regulatory constraints, although they were mostly classified as small barriers. These were followed by data-related constraints, which are evenly split as either large or small constraints. Other identified barriers include operational and business risks, and cost-related constraints. Less commonly mentioned were concerns related to ethics, compliance, and liability, as well as issues concerning market integrity and consumer or investor protection (Figure 1.24).

Non-regulatory constraints highlighted by industry in meetings include concerns related to data and skills gaps, third-party dependence, and the need for strategic alignment among stakeholders. Other major constraints include issues related to ensuring data and model implementation security, as well as challenges with change management within the firm.

Figure 1.24. Non-regulatory constraints to the deployment of AI technologies



Note: Absolute values calculated as sums of categories of constraints specified in Annex A. Respondents could select multiple answers. This question was non-mandatory.
Source: 2025 OECD Survey on the use of AI in Italian financial markets.

In the organisational, skills and cultural constraints category, a quarter of all survey respondents referred to limitations stemming from talent acquisition, reflecting difficulties in recruiting for the development and deployment of AI tools. Many firms report not adopting AI due to the current lack of use cases in their line of business, as identified by 16% of respondents. Internal factors such as limited AI expertise, unclear integration strategies, and organisational resistance to change also impede progress. Adoption is often hindered by competing priorities within the organisation, which affect the allocation of resources to AI projects (Figure 1.25). Concerns related to ethics and liability, as well as market integrity and consumer/investor protection issues, were less prominent in the reporting by supervised entities, possibly given the safeguards provided for by applicable regulation and the provisions of the AI Act.

Organisational and skills-related constraints may be acutely felt by financial market participants as the area demands substantive knowledge, combined with technical AI skills, which may be difficult to find. Furthermore, establishing internal use cases, for example in settlement or post-trade processing, may be challenging due to the current limited use cases at the global level.

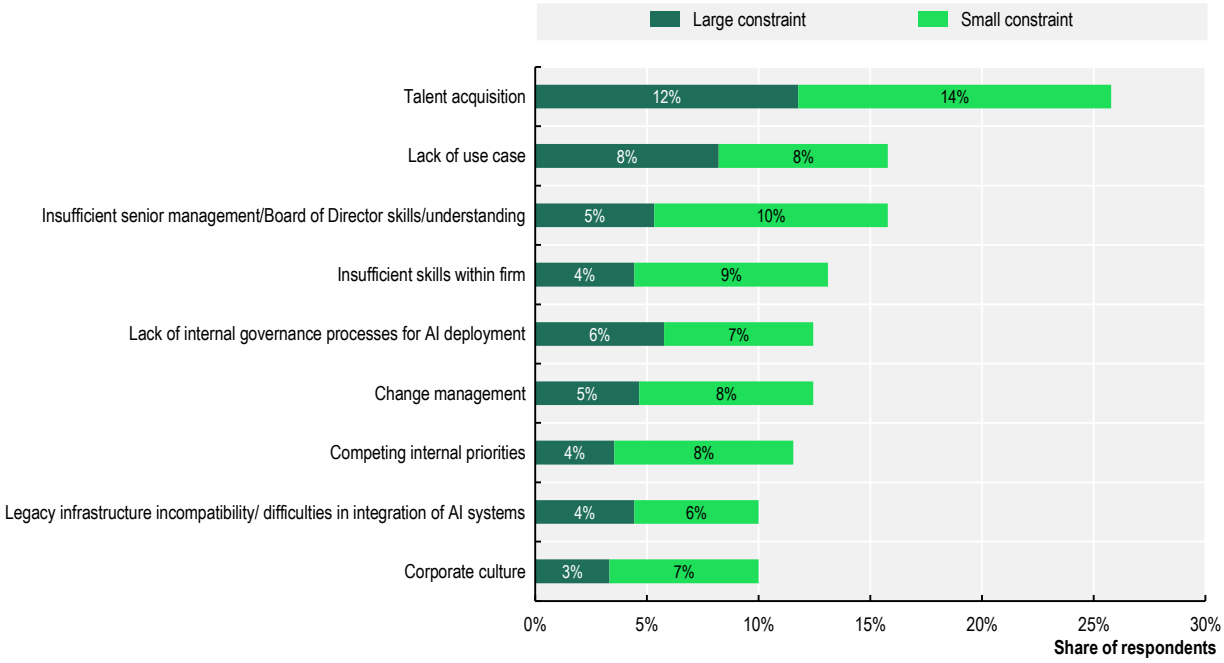
As explained in the qualitative input, institutions often lack the necessary technical and analytical skills to deploy and monitor AI effectively, requiring training and cultural transformation. Sometimes company structure is not suited for facilitating collaboration across departments, such as IT, compliance, and risk, which is essential for the effective deployment of AI models. Some local companies are also limited in their AI exploration as they wait for the group-level assessment and issuance of guidance on whether and how to develop AI use cases.

Industry participants also disclosed in the project meetings that many organisations simply lack compelling AI use cases for their lines of business, meaning that introducing AI into already efficient operations could result in new problems instead of the expected performance enhancement. Interconnectivity between

systems is perceived as a major issue, along with difficulties identifying the most effective use cases. Many firms disclose that rationalising AI deployment and investment is often difficult for the purpose of internal decision making. Concerns also exist around capital risk due to over-reliance on AI without adequate oversight.

Furthermore, as firms differ in levels of investment and cultural readiness, AI adoption is uneven. Major organisations have already shifted to cloud-based platforms to accommodate AI workloads, while certain entities rely on legacy IT for varying reasons, among them cyber-security. Other constraints to the deployment of AI from the company side may stem from the difficulty with quantifying the return on investment for AI-related project budget-planning. The issue of talent is also often raised, as more traditional institutions struggle with recruiting data scientists and retaining those that may be dissatisfied with the slow pace of incorporation of their projects.

Figure 1.25. Organisational, skills and cultural constraints

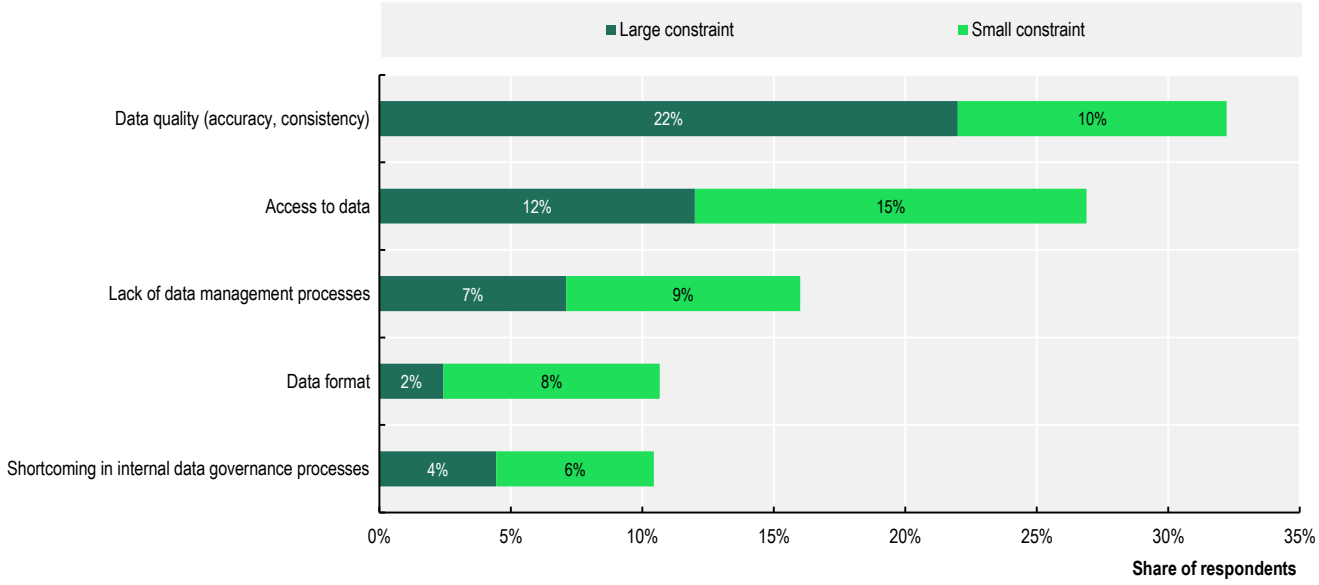


Note: Percentages in this figure are calculated in relation to all 450 respondents to the survey. This chart takes into account all factors under the "organisational, skills and cultural constraints" category. Further information on survey methodology may be found in Annex A. Respondents could choose multiple answers. This question was non-mandatory.
Source: 2025 OECD Survey on the use of AI in Italian financial markets.

Data-related constraints refer to challenges in gaining access to high-quality data, as well as in managing such data within internal processes. A third of survey respondents identified data quality as a constraint to AI adoption, while access to data and lack of data management processes are also frequently identified. For large non-regulatory constraints, firms most frequently indicated data quality issues, particularly concerning their accuracy and consistency, as identified by 22% of all respondents. Firms also identified other data challenges, including obtaining access to data (12% of respondents). Access to data was the most widely cited small constraint (15% of respondents). Other widely cited small constraints referred to dealing with data sets and issues with data format, shortcomings in internal data processes or lack of data management processes (Figure 1.26).

High-quality, unbiased and up-to-date data is essential for effective AI implementation, yet respondents frequently cited issues with data availability and consistency in their qualitative input. As reported by Italian and global firms, it is a particular challenge to find data specific to financial market activities. Complications arise as all treatment of personal data requires identification and assignment of the related responsibilities. For data that is not public, there is a need to obtain the agreement of users for its use, which raises the level of complexity of the process. Firms struggle with a lack of adequate internal data management processes with structured frameworks for data handling, crucial for meaningful AI integration, such as the input of validated and up-to-date information. Companies also expressed the view that sometimes the level of data governance maturity varies across the group or business lines, which presents an obstacle for the successful scaling up of AI at the company level.

Figure 1.26. Data-related constraints



Note: Percentages in this figure are calculated based on all 450 respondents to the survey. This chart takes into account all factors under the "data-related constraints" category. Further information on survey methodology may be found in the Annex. Respondents could choose multiple answers. This question was non-mandatory.
Source: 2025 OECD Survey on the use of AI in Italian financial markets.

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Notes

[1] The OECD survey was shared with over 900 institutions across the Italian financial sector and accessed by 731 institutions, receiving 450 responses.

[2] Input to project bilateral meetings conducted in 2025.

[3] GPAI models (also known as foundation models in some jurisdictions) include Generative AI models, such as LLMs. A GPAI model means an AI model, including where such an AI model is trained with a large amount of data using self-supervision at scale, that displays significant generality and is capable of competently performing a wide range of distinct tasks regardless of the way the model is placed on the market and that can be integrated into a variety of downstream systems or applications, except AI models that are used for research, development or prototyping activities before they are placed on the market (EU, 2024[30]).

[4] Terms “free” and “open-source” are not necessarily interchangeable, as “open-source” does not necessitate free of charge, see *AI openness: A primer for policymakers* (OECD, 2025[29]).

[5] Input to project bilateral meetings conducted in 2025.

2 Approaches by Italian financial authorities to promote safe AI deployment

This chapter examines the approaches adopted by Italian financial authorities to monitor AI deployment in the domestic market and to foster responsible innovation. The first section outlines existing supervisory measures and ongoing initiatives, including the use of Supervisory Technology (SupTech) tools. The second section highlights the innovation facilitator mechanisms that support an enabling environment for innovation and promote direct engagement between the authorities and the financial industry.

2.1. Introduction

Italian authorities have an active portfolio of tools and measures to monitor how AI technologies are being deployed in the domestic market. These include supervisory initiatives developed by the four supervisory authorities, in the form of data collection and research, as well as SupTech tools in production and development. These supervisory measures help the authorities to assess the scale of current AI deployment by financial institutions, map current trends and their impact, and project potential future developments in the field.

Currently, Italy has a well-developed ecosystem of innovation facilitators spanning all major segments of financial activity. These enable safe testing of AI applications in finance and foster constructive engagement with the industry. Innovation facilitators can play a valuable role in addressing regulatory barriers or gaps and sending a positive signal about the authorities' commitment to responsible innovation.

2.2. Monitoring and supervising the deployment of AI applications in the Italian finance sector

Italian public authorities play an active role in promoting safe and responsible deployment of AI technologies within the domestic financial system. Support for innovation is evident in both the AI-related monitoring initiatives conducted by Italian financial supervisors and the operation of innovation facilitators, which enable direct engagement with the industry.

2.2.1. Monitoring and supervision initiatives by the Italian authorities

In Italy, the legislative and supervisory competences over the financial services are distributed between BdI, CONSOB, IVASS and COVIP. BdI exercises supervisory functions over banking and financial activities for banking, registered non-banking intermediaries and the payment services market (Banca d'Italia, 2024[1]). CONSOB is the supervisory authority for the Italian financial products market (CONSOB, 2024[2]). IVASS exercises supervisory authority over insurance and reinsurance undertakings, insurance groups, and other insurance intermediaries (IVASS, 2024[3]). COVIP supervises supplementary pension schemes (COVIP, 2025[4]). For certain issues (e.g. responsibility for financial stability), the competences are shared between the Ministry of Economy and Finance, BdI and CONSOB. Additionally, the MEF acts within cross-area competencies, including financial system regulation and policies, as well as customer protection, transparency and non-banking intermediaries (MEF, 2024[5]).

BdI, CONSOB and IVASS have undertaken several initiatives to collect information and data about the use of AI in the Italian financial sector, as listed in Table 2.1.

Table 2.1. AI-related initiatives of Banca d'Italia, CONSOB and IVASS

	Banca d'Italia
AI-related data and information collection activities	**FinTech Survey** • BdI conducts a Fintech Survey to assess the level of adoption of technological innovations across the financial services. The exercise occurs bi-annually, with the first edition taking place in 2021, followed by the 2023 edition. • The 2025 version features questions on GenAI and the implications of transposing the EU AI Act. • In 2025, BdI launched a new survey on unregulated Italian fintech operators to supplement the previous survey. **ICT self-assessment** • BdI releases templates for the assessment of the ICT risk with respect to the requirements set out in DORA. The self-assessment format contributes to a structured collection of information about the ICT risk across the supervised entities.

	• The self-assessment of LSIs consists of a mandatory general section and a specific section required for only a specific sample of intermediaries. For the latter, one section is related to adoption of machine learning. **Regional Bank Lending Survey (RBLS)** • Banca d'Italia collects significant data from the Regional Bank Lending Survey (RBLS) which examines, among others, relations between regional branches and their headquarters. This data is kept at aggregate level and is used solely for economic analysis, for example to examine the adoption of digital technologies in the banking sector (Banca d'Italia, 2022[6]). • The survey has helped to identify the use of AI within FinTech projects, including its application in critical functions such as credit scoring, monitoring, AML and fraud detection. The 2024 edition of the survey marked the start of collection of data on GenAI, as well as the use of AI codes of conduct. The 2025 edition foresees collection of information on the role of BigTech companies in providing AI solutions, including the advancement stage of systems in their cycle. **Inspections** • Although Banca d'Italia's inspections are not yet specifically focussed on AI, the topic is assessed indirectly through related areas such as IT and credit risk management.
Research	**Multidisciplinary team** • Banca d'Italia operates an internal multidisciplinary team on big data, machine learning and artificial intelligence, which includes economists, statisticians and computer scientists from different departments within the institution. • Banca d'Italia has recently created a dedicated cross-departmental committee for the co-ordination of some internal activities related to AI. **AI in credit-scoring paper** • In 2022 Banca d'Italia published a paper to present a discussion of theoretical issues and of the regulatory and institutional context for the application of AI to credit scoring. The paper also describes the results of a survey of a selection of Italian financial intermediaries on their experience in adopting such models (Banca d'Italia, 2022[7]). **Proofs of concept** • Exploring applications through proofs of concept. One of them, joint with some banks, showed that procedures based on AI solutions help reduce regulatory compliance costs for financial entities and verification costs for authorities • Another one suggests that neural networks can support the detection of printing defects during banknotes production (Banca d'Italia, 2023[8]).
	CONSOB
AI-related data and information collection activities	**Data and information collection activities** • The supervision and monitoring activities on the use of AI applications are based on the use of unstructured information typically getting from the periodic supervisory documentation transmitted by the supervised entities, from any relevant inspection outcomes and, more in general, from the meetings held with intermediaries in the context of the supervisory activities. • CONSOB collaborates in international groups (e.g. IOSCO, ESMA) and initiatives regarding the use of AI in the financial sector. • In 2025, CONSOB contributed to the ESMA report on the AI adoption and trends in securities markets. • CONSOB actively identifies, monitors, and assesses ICT-related risks (e.g. cyber risks) at both the individual firm level and systemic level. Its approach is based on supervisory rules (MiFID II and DORA). **Changes in organisational structure and strategy** • In October 2024 CONSOB faced a re-organisation intended, among other objectives, to enhance its capacity to steer initiatives in the field of artificial intelligence. As part of this process, two dedicated offices were established: the "Data Management and Artificial Intelligence", dedicated to the development and management of business intelligence & advanced analytics platforms and AI solutions and models; the "Data Governance" Office, responsible for ensuring that the organisation's data are managed in a proper, secure, consistent, and regulatory-compliant manner. • CONSOB's 2025-2027 Strategic Plan states that the Authority will strengthen supervisory efficiency by adopting AI-based tools to improve transparency and oversight. The Plan highlights the development of advanced data-driven supervision models, making data analysis central to Consob's monitoring framework. • It emphasises digital transformation as a transversal priority, with AI supporting more effective and timely supervisory actions. The Plan also supports the 2024 internal reorganisation reinforcing data and technology capabilities, including structures dedicated to AI and data management. • Overall, AI and stronger data practices underpin a shift toward risk-based, technologically enhanced market supervision throughout the 2025-2027 horizon • CONSOB is working on a "AI lifecycle management framework", which provides a structured governance model that ensures AI initiatives align with regulatory requirements. It streamlines decision-making by clarifying responsibilities across business units, the AI department, and external partners. The framework strengthens risk-based prioritisation, enabling efficient allocation of resources and controlled deployment of AI solutions. It

	enhances transparency and traceability, supporting systematic approvals and more reliable operational outcomes. Overall, it helps the organisation adopt AI safely while maximising business value and strategic impact.
Research	• A study on the development of the use of AI in the fields of wealth management, a survey conducted in 2021 with Assogestioni (CONSOB, 2022[9]). Survey response rate covered eight large asset management companies, accounting for 60% of assets under management in Italy. • A study on "A machine learning approach to support decision in insider trading detection" – in which two complementary unsupervised machine learning methods to support market surveillance aimed at identifying potential insider trading activities are proposed (CONSOB - Scuola Normale Superiore di Pisa, 2022[10]). • A study on "Dimensionally reduction techniques to support insider trading detection" (CONSOB, 2024[11]). • An analysis on AI and market abuse ("AI and market abuse: do the laws of robotics apply to financial trading?") (CONSOB, 2023[12]). • "Insights on Artificial Intelligence and Financial Supervision". This paper explores the challenges linked to the use of artificial intelligence systems in CONSOB's market surveillance activities. (Deriu and Racioppi, 2025[13]) • "Greenwashing alert system for EU green bonds. The CONSOB–University of Trento prototype" (Paterlini et al., 2025[14]). • "The impact of the ESG factor on industrial performance. An analysis using machine learning techniques" (Palynska et al., 2024[15]). • Sustainable Development Goals omission and environmental sentiment metric for greenwashing and ESG controversies alert in green bonds (Nicolodi et al., 2025[16]).
IVASS	
AI-related data and information collection activities	• IVASS is aware that the use of AI technologies is imbedded into insurance projects. It foresees the inclusion of AI in its general supervisory activities, comprising their overall performance and risks of discrimination. • IVASS conducts its monitoring on AI with market surveys, one-to-one meetings with larger insurance undertakings and a continuous market outreach discussing with insurance and technology providers associations, academia, experts and other stakeholders. IVASS has not changed its organisational structure in any way to accommodate specificities of AI supervision as of yet.
Research	**IVASS is currently conducting the following AI-related research:** • IVASS is conducting a project on network analysis, in collaboration with the University of Palermo. Statistical and ML techniques are used to analyse huge databases of insurance claims to identify groups of potential fraudsters (Tumminello et al., 2022[17]). • IVASS undertook a qualitative-quantitative analysis of the clarity of insurance contracts, in collaboration with the University of Torino. The projects used algorithms to assess the readability of insurance contracts, with the aim of ensuring clarity of the contracts, and the rights and obligations of consumers contained therein (IVASS, 2025[18]). • IVASS contributed to a study conducted with EIOPA, for establishing more indicators of stability of insurance firms. A second stage of the project will feature GenAI technologies. • IVASS conducted a survey on the use of Machine Learning algorithms by insurance companies in their relations with policyholders (IVASS, 2023[19]). • IVASS published a working paper on AI governance in the insurance sector (Capone, 2021[20]).

Note: Non-exhaustive list.

2.2.2. Use of Supervisory Technology (SupTech) tools

SupTech tools can enhance the ability to track, audit, and challenge the performance and risks of AI systems used by financial institutions. These tools support data-driven oversight and improve the efficiency of supervisory activities. In a more complex world where NCAs responsibilities are increasing, SupTech initiatives are primarily aimed at strengthening supervisory capacity, analytical capabilities and risk prioritisation, rather than automating supervisory judgement or decision making.

Italian financial authorities are deploying SupTech tools in multiple areas of their supervisory activities. Banca d'Italia currently has six SupTech tools in production for the supervision of bank and non-bank financial institutions. CONSOB has also developed prototype SupTech tools spanning a range of areas. Table 2.2 lists the tools of the two authorities.

IVASS has also experimented with AI techniques on claims databases for fraud prevention to facilitate the consultation of insurance documents, to enrich indicators on the stability of insurance companies, and to

classify complaints in order to make them easier to handle. Most projects have been developed in-house with the collaboration of third-parties (Banca d'Italia, EIOPA/ECB, academia). Analytical benefits of exploring big data bases include a possibility to define and test new sets of indicators, building internal skills and capabilities with a first-hand approach to practical projects. The main barriers to the development of SupTech tools are the availability of skilled staff, and the need to avoid conflicting priorities and to allow experimentation. Difficulties may also arise from the need to source external business intelligence, if required for developing specific internal SupTech applications. COVIP is also currently evaluating the possibility of developing SupTech tools.

Table 2.2. Use of SupTech tools by Banca d'Italia and CONSOB

Banca d'Italia	
On-sight inspections	• SupTech tools can enhance the efficiency of on-sight inspections by helping to automate routine activities i.e. to draft findings, perform consistency checks, analyse compliance documents and generate suggestions on the findings. • The tool helps both on-site supervisors and consistency checkers. The architecture is composed of two application services responsible for, respectively providing the user with suggestions computed by AI about the finding that is being drafted/checked, as well as maintaining a structured and up-to-date data base of regulatory standards applicable to inspections.
Ongoing supervision	• Ongoing supervision: Tools can enhance the ongoing supervisory processes by performing detailed analysis of the concrete areas of investigation, for example by reconstructing ownership chains in the financial sector. • For corporate governance area, the tool supports the analysis of the effective functioning of board (behaviour of board members, in terms of type/frequency of interventions, depth of the discussion, number of topics discussed).
Fit and proper evaluations	• The tool supports the Fit and Proper assessment by extracting information from various databases, such as: reporting on large exposures; reports on connected parties (both at individual and consolidated levels); Bankit Sanctions database; Italian Credit Register; Italian Company Register. Based on the extracted information, anomaly indicators are generated to guide the analyst in the decision-making process when assessing the suitability of financial institution representatives. Additionally, through an AI module based on the Factiva database, the tool enables the detection of reputational issues of the appointee by means of press articles.
Ownership structures	• The tool reconstructs the ownership structure of supervised intermediaries (banks and financial companies) through the use of AI technologies, i.e. Automated Reasoning (AR) applied to their Knowledge Graph. This platform not only integrates and visualises data from multiple sources but also generates new knowledge beyond the scope of the original data, significantly enhancing the information available to users.

Consumer protection	• In order to enhance the enforcement of consumer protection claims, BdI has been testing AI systems for analysing customer complaints (Esptech) and to support the role of the ombudsman (AbefTech). Both systems are developed internally.
	  ○ Esptech: The tool incorporating NLP and ML is used to manage over 10 000 complaints that are received annually. Models group the complaints in clusters based on semantic similarities in order to map trends and help identify the outliers.
	  ○ AbefTech: the tool supports the Banking and Financial Ombudsman's Technical Secretariats for the management of complaints filed by customers through: a ML model to group the ABF's decisions based on semantic similarities; a NLP function (Named Entity Recognition algorithms) to facilitate checks relating to the preliminary assessment of complaints (so-called admissibility); a function supported by combined techniques of Named Entity Recognition and regular expressions (which make use of the centralised registry of intermediaries present in the Institute) to facilitate the anonymisation of ABF decisions.

CONSOB	
Market Surveillance/ Market abuse detection for insider trading:	Two complementary methods of unsupervised machine learning are used to identify potential insider trading activities: • The first method "Pandora Box" uses clustering to identify discontinuities in an investor's trading activity near a price-sensitive event, such as a takeover bid. These discontinuities are compared to the investor's past trading history and the present trading activity of their peers. • The second unsupervised approach aims to identify small groups of investors who act coherently around price-sensitive events. This may indicate potential insider rings, which are groups of synchronised traders displaying strong directional trading in a rewarding position in the period before the price-sensitive event.
Fight against online harms	• An AI solution aiming to fight against online harms, especially in relation to the illegal offering of crypto-assets and investment services. The system is designed to automate the analysis and verification activities that currently characterise the complaint management process and a selected part of IOSCO online list: I-SCAN

	(International Securities Commodities Alert Network • The technological core of the solution lies in the use of LLMs, including in their multimodal form, capable of processing textual and visual elements. The LLMs are able to understand complex texts, including legal and regulatory texts, and automatically extract structured data. • The entire process includes a validation and back testing phase, in which the results produced by the system are compared with the analysis conducted by human operators. In the event of a misalignment, the system prompt is modified and the inference is repeated.
Risk-based analysis of issuers	• A complex system is based on a combination of AI algorithms applied to the predictive analysis of the risks of listed issuers, to support supervision, and based on the list of risk parameters and both structured and unstructured data sources. • The AI platform is based on data lake and uses ML algorithms that allow the identification of a cluster of risk issuers, identified through anomaly detection techniques. The AI platform also includes a trial based on a specific text classification algorithm, capable of labelling the text of the Key Audit Matters (KAM) indicated by the audit companies and transmitted to Consob, associating the text of each KAM with the respective international accounting standard of reference. The AI platform also includes a correlation of the analysed data with the applications of text-mining techniques for the screening of relevant information contained in unstructured data sources.
European green bonds supervision	• A trial has been launched in collaboration with the University of Trento, incorporating the use of AI and NLP techniques. The core of the project, in this case, consists of building a computer prototype capable of automatically analysing the textual documentation associated with green bond issues, with the aim of identifying environmentally relevant phrases, labelling them according to their content, associating them with a sentiment rating and verify the presence or absence of references to sustainable development goals (SDGs). Subsequently, the AI system has been implemented through a technical engineering and an industrialisation process for cloud deployment. • The added value of the model lies in its ability to generate “alerts” on documents and subjects with potentially anomalous characteristics – for example, a high mismatch between declared and actual SDGs, or a predominantly opportunistic sentiment in the absence of concrete evidence – which can guide the activities of the offices towards more in-depth investigations.
Sanctions anonymisation	• The system is based on generative AI models and similarity algorithms, aimed at anonymizing the formal sanctions documentation by anonymisation of sanctions in a 4-activities process, i.e. deleting from the text of the sanctioning measures the data and information potentially suitable for identifying the sanctioned party.

Source: Banca d’Italia and CONSOB.

2.3. Enabling environment for innovation in Italy

2.3.1. Financial regulatory sandbox

The financial regulatory sandbox was introduced by Ministerial Decree No. 100/2021, implementing Legislative Decree No. 34 of 2019. The sandbox allows supervised entities and FinTech operators to test innovative products and services, for a limited period of time, in constant dialogue with the three financial supervisory authorities (Banca d’Italia, CONSOB and IVASS), and eventually also benefitting from a simplified temporary regime. The testing activities are run by the three supervisors under the co-ordination of the Fintech Committee, set up at the Ministry of Economy and Finance.

Within the first cohort of the sandbox supervised by the Bank of Italy, artificial intelligence was among the most widely adopted technologies in the projects tested. Out of the 13 projects admitted to the experimentation phase, 4 incorporated the use of artificial intelligence. IVASS is also currently overseeing a project which includes a limited use of AI, including for data analytics on driving behaviour in motor insurance and the generation of synthetic data for AI models. The use of AI has not been the focus of the initiatives analysed so far by CONSOB in the context of the sandbox, considering that fintech applications usually exploit several technologies, among which AI could be included.

After the first two cohorts, the Ministry of Economy and Finance and the three supervisors decided to review the secondary legislation regulating the sandbox (Ministry of Economy and Finance Decree No. 100 of 30 April 2021). The aim is to simplify access to the sandbox and reduce the administrative burdens on Fintech operators to encourage broader market participation. This will be achieved mainly by distinguishing

the sandbox rules applicable depending on the type of testing, which varies according to market involvement and the potential risk to third parties. This ensures that operators can carry out their activities in a protected environment according to a risk-based and proportionate approach. The new version of the ministerial decree has been published and has been under consultation until 16 of May.

Article 57 of the AI Act requires that national competent authorities establish an AI regulatory sandbox either at the national level or jointly with other Member States (EU, 2024[21]). As anticipated by the MEF, discussions are ongoing to evaluate the extent to which the financial regulatory sandbox can be considered relevant even for the purposes of the regulatory sandboxes of the AI Act. This issue is subject to ongoing developments at the EU level, including the European Commission's proposed "Digital Omnibus" package, which provides – among other things – for the establishment of an AI Sandbox at the EU level, without prejudice to national AI Sandboxes.

2.3.2. Other innovation facilitators

Milano Hub is an innovation centre created by Banca d'Italia in 2021 that aims to support the digital evolution of the financial market and attract talent and investment. Milano Hub offers consulting services, mentorship, and educational components to financial intermediaries, startups, and research centres, with the aim of accelerating the development of projects and promoting the quality and safety of specific innovations. In order to maintain a constant dialogue with market operators, Milano Hub works via its "Calls for Proposals" relating to different areas of innovation. The projects selected receive developmental support through: i) technical expertise in banking, finance and insurance and in specific areas, for example IT and regulation; ii) organisation of seminars, events, conferences with representatives from the projects, institutions and the academic world. BdI does not provide any form of financial assistance or any contribution to the acquisition of goods or services or support the projects in terms of promotional initiatives or marketing activities.

The First Call for Proposals was launched in 2021 under the theme "the contribution of artificial intelligence to improving the provision of banking, financial and payment services to businesses, households and the public administration, with a particular focus on financial inclusion, adequate consumer protection, and data security". This call resulted in the submission of 40 projects by 62 entities, and the large majority of projects were related to digital lending & deposit (55%), payments (15%) and regtech (8%). The second Call for Proposals focussed on "the Application of Distributed Ledger Technology (DLT) to banking, financial, insurance and payment services". This Call for Proposals resulted in 57 applications by 81 entities and 14 selected projects. The third Call for Proposals in 2024 focussed on "digital and instant payments". Out of 26 projects submitted, 11 were selected. Among them, a few projects use AI algorithms to develop fast-payments for new use-cases/applications dealing with fraud prevention techniques and cash-flow management systems (Banca d'Italia, 2024[22]).

FinTech Channel is the point of contact through which operators can dialogue easily and informally with Banca d'Italia. Operators can present projects in the field of financial services and of payments, based on innovative technology, or propose technological solutions designed for banks and financial intermediaries. In this way, start-ups, firms, banks and financial intermediaries proposing innovative solutions in the field of financial and payments services can contact the Bank. As of 4 April 2025, the Fintech Channel has had more than 260 interactions with fintech companies and financial intermediaries, with the percentage of projects focussed on AI solutions increasing from 20% to 33% in 2023, and to 38% in 2024.

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3 Policy considerations

This chapter outlines key policy considerations for the development of regulatory and supervisory initiatives aimed at supporting the safe and broad diffusion of AI in Italian financial markets. It draws on evidence collected through the OECD project survey, cross-country analysis providing comparative evidence from EU member states and other OECD Member countries, OECD analytical work, and insights gathered through engagement with industry stakeholders and Italian financial authorities. The policy considerations are organised into eight areas and are intended to help harness the potential of AI to foster more efficient and inclusive financial markets, strengthen the competitiveness of Italy's economy, in turn contributing to EU competitiveness, and maintain a high level of consumer protection. While most considerations are directed at the Italian financial authorities, some relate to ongoing EU-level regulatory and supervisory initiatives.

3.1. Overview of key policy considerations

The policy considerations are grouped into eight areas, which are inter-linked, as outlined in Table 3.1. Some policy considerations are related to the ongoing EU-level regulatory initiatives, and their implementation will be subject to the evolution of the EU legal framework. As the eight themes are closely interlinked, they warrant consideration through an integrated policy approach.

Table 3.1. Summary of policy considerations

#	Policy consideration	Authorities responsible	Timeframe	Linked themes
	Theme 1: Strengthen recurring data collection on AI adoption and exposure			
1	Closer co-ordination of data collection initiatives on AI adoption (e.g. common definitions, taxonomy)	Italian & EU	Short term	Theme 2 Theme 8
2	Consider conducting a joint industry-wide data collection exercise	Italian	Medium/long term	
3	Promote convergence of data collection efforts at the EU level	EU	Short/medium/long term	
	Theme 2: Promote and support clarity and simplification of the regulatory and supervisory framework			
4	Promote supervisory guidance, in co-operation with ESAs	Italian & EU	Short/medium term	Theme 1 Theme 4
5	Clarify supervisory expectations for supervised entities (public-facing)	Italian & EU	Short/medium term	
6	Support compliance with data governance frameworks	Italian	Medium/long term	
7	Enhance co-operation with non-financial authorities	Italian	Short/medium-term	
	Theme 3: Encourage stronger AI governance arrangements for supervised entities			
8	Support efforts to promote stronger governance structures	Italian	Short/medium term	Theme 2 Theme 7 Theme 8
9	Provide high-level, cross-sectoral assistance with the development of AI governance frameworks	Italian	Short/medium term	
10	Assist firms in the governance of non-critical third-party arrangements	Italian	Short/medium term	
11	Promote the use of explainability methods depending on the level of use-case materiality	Italian	Short/medium term	
12	Promote AI-specific financial consumer protection and literacy	Italian	Short/medium term	
13	Promote robustness of AI cyber-resilience frameworks	Italian	Short/medium term	
	Theme 4: Promote safe data-sharing frameworks and practices			
14	Foster safe data-sharing frameworks, operationalise open-finance technical standards and promote other data-sharing frameworks	Italian	Medium/long term	Theme 2
15	Promote participation of financial firms in the EU common data spaces and contribute high-quality public-sector datasets where legally possible	Italian	Medium/long term	
16	Promote safe data-sharing practices	Italian	Medium/long term	
	Theme 5: Foster and support public-private co-operation			
17	Increase AI collaboration between the industry and the public sector (e.g. multi-stakeholder forums, thematic working groups, joint testing frameworks)	Italian	Short/medium term	Theme 6 Theme 7
	Theme 6: Highlight and enhance the role of innovation facilitators			
18	Promote the existing national-level innovation facilitator ecosystem	Italian	Short/medium term	Theme 5 Theme 7
19	Enhance the innovation facilitator ecosystem, including encouraging smaller firms to participate, including non-supervised (e.g. FinTech start-ups)	Italian	Short/medium term	
20	Increase the integration of national and EU and national-level innovation facilitators	Italian & EU	Medium/long term	

#	Policy consideration	Authorities responsible	Timeframe	Linked themes
	Theme 7: Support whole-of-government public sector strategic direction for the AI development and use in the finance sector			
21	Foster stronger collaboration across industry, academia and authorities	Italian	Short/medium term	Theme 5
22	Leverage existing centres of excellence and AI factories	Italian	Short/medium term	Theme 6
	Theme 8: Strengthen supervisory capacity			
23	Enhance capacity for authorities at the national and EU level	Italian & EU	Short/medium term	Theme 5
24	Consider enhanced sharing of AI-driven SupTech tools at the EU level	EU	Short/medium term	

3.1.1. Strengthen recurring data collection on AI adoption trends

Information gaps on AI adoption by financial institutions remain a common challenge across OECD economies (OECD, 2026[1]). The objective is to build over time a harmonised, consistent and recurring system for collecting granular data on AI adoption in the financial sector, which would enable Italian and EU authorities to close information gaps, improve comparability across institutions and sectors, and strengthen their ability to monitor risks and support safe AI innovation, using a robust, methodologically-aligned and evidence-based approach to support co-ordinated policy design and implementation. In addition to enhancing regulatory effectiveness, greater harmonisation also aims to reduce reporting burdens for supervised entities (particularly those operating across several sub-sectors) and promote simplification.

Building on their considerable expertise, Italian financial supervisory authorities could consider enhancing existing data collection frameworks to **capture AI adoption and experimentation at a more granular level**, by incorporating new AI adoption metrics into existing data collection exercises, drawing from the 2025 OECD project survey and risk-related indicators proposed by the FSB, as well as measures capturing perceived barriers to the safe adoption of AI innovation.

Closer co-ordination of Italian authorities' data collection initiatives could involve, as a first step, efforts to **harmonise definitions and taxonomies related to AI innovation**. In the longer term, a harmonised cross-sectoral approach could promote consistency and comparability while also alleviating the burden associated with multiple surveys from supervised entities operating across multiple sub-sectors. This could include jointly co-ordinated, industry-wide data collection exercises, possibly on a recurring basis, taking into account sectoral differences (e.g. scope, priorities). Guidance agreed at the EU level will play a key role in strengthening comparability and reducing reporting burdens.

At the EU level, there is a need to **foster greater convergence among European Supervisory Authorities' (ESAs) data collection efforts** to promote coherence and consistency across respective surveys, including efforts by the Single Supervisory Mechanism (SSM). Closer co-ordination of data collection exercises across sectors at the EU level would help reduce the burden on supervised entities that are required to respond to multiple, often divergent, requests, while also improving the quality of the data collected. Efforts for harmonisation of terminology and methodological approaches at the EU level can increase the comparability of data collected across sectors domestically and support national efforts for taxonomy harmonisation.

In this regard, Italian supervisory authorities are encouraged to continue playing an active role in EU initiatives by contributing to data collection exercises, leveraging on insights from the project survey, and sharing all domestically identified insights. High quality insights from EU member states in surveys conducted by EU authorities enable timelier EU-level responses that account for national differences, without overly burdening supervised entities.

3.1.2. Promote and support clarity and simplification of the regulatory/supervisory framework

Lack of clarity and alignment in regulatory requirements and supervisory expectations applicable to AI in finance was identified as the most significant constraint to AI deployment by the Italian finance sector. The objective is to **promote a clearer, more coherent and simplified regulatory and supervisory framework for AI in finance**, aiming to strengthen effective oversight, reduce regulatory uncertainty and ensure clear and consistent supervisory expectations across the EU, while also safeguarding fundamental rights and financial consumer protection. This would, in turn, allow financial institutions to navigate compliance confidently, enabling them to scale up AI investment and promote the wider safe diffusion of AI in the finance sector, ultimately promoting greater competitiveness of the European financial sector in AI innovation.

At the EU level, authorities should continue to pursue the ongoing simplification agenda and strengthen efforts underway to **address perceived uncertainties arising from newly enacted AI legislation** and its overlay with existing sectoral and other applicable rules. Supervisory guidance could help mitigate perceived ambiguity by financial firms, and provide the legal certainty needed to further invest in AI innovation. Well-designed supervisory guidance would assist market participants in navigating compliance obligations, reducing perceived regulatory uncertainty while facilitating more effective oversight. Any guidance should be carefully calibrated to avoid negatively affecting AI adoption by impeding firms' ability to experiment with AI innovation, while also preserving the objective of providing EU citizens with the highest standard of protection of their fundamental rights. A risk-based approach should be pursued, proportionate to the risks and impacts of specific AI use cases, while highly prescriptive approaches should be avoided given the rapid pace of AI innovation. Guidance could take different forms (e.g. the release of clarifications, interpretative notes or supervisory expectations and communications) or could be provided through closer engagement with the industry (OECD, 2026[1]). In this context, stakeholders could also benefit from **further clarification on the exclusions from the regulatory definition of AI** of simple statistical techniques such as linear or logistic regression that capture predictive applications, as well as on systems used for mathematical optimisation purposes.

Italian supervisory authorities are encouraged to continue playing an active role in EU-level initiatives aimed at simplifying the regulatory framework for AI, with particular attention to the needs and characteristics of the financial sector. Close co-ordination among domestic authorities and convergence at the EU level would help prevent regulatory fragmentation or mismatched implementation timelines, while allowing for domestic concerns to be reflected at the EU level. Equally important is the role of Italian authorities in effectively communicating the outcomes of EU clarification efforts to supervised entities domestically. Imposing unnecessarily stricter national requirements beyond those envisaged in EU rules should be avoided as these could create fragmentation, increase compliance burdens and undermine the domestic sector's competitiveness.

One area of particular focus is data governance and management frameworks, as compliance with data protection requirements was identified as a significant barrier to AI deployment in Italian financial markets, with emphasis on the perceived complexity of compliance with General Data Protection Regulation (GDPR). Given that data protection falls largely outside the remit and direct control of Italian financial authorities, these should consider efforts to **strengthen co-operation, co-ordination and information-sharing with national and EU data protection authorities** (DPAs), as well as efforts to communicate any clarifications on these issues to supervised entities. Italian financial authorities may thus consider issuing public-facing high-level clarifications on practical aspects of AI experimentation and deployment by the financial sector, including on the treatment of data for training and testing. These should be closely aligned with the principles and objectives established or under development at the EU level, and in close co-ordination with EU authorities, to support the harmonised domestic implementation of EU-level outcomes, as well as with domestic non-financial authorities (e.g. cybersecurity agency, data

protection office). This can also include further clarity on the treatment of non-GDPR-governed data used for training and testing (e.g. non-personal data, publicly available data, synthetic datasets), under reduced protection but with implications for lawful processing, data minimisation, traceability, and model risk, including bias propagation and unintended personal data inference.

At the EU level, the European Commission's Digital Omnibus Package' makes constructive progress toward the streamlining of regulatory requirements related to AI and data governance, aiming to bring considerable administrative relief. EU data protection bodies, namely the European Data Protection Board (EDPB), are actively monitoring the need to issue clarifications regarding the applicability of the requirements to AI model deployment. Clarification of what constitutes legitimate interest as a legal basis for data collection could be particularly helpful for the training of AI models in finance.

The realm of data protection may exemplify one of the fields in which the co-operation between Italian financial supervisory authorities, which is already at a very advanced working level, may be further extended to incorporate other non-financial authorities. A more harmonised framework for interacting with data protection authorities and cybersecurity agencies, among others, may be crucial for clarifying challenges encountered by financial sector participants regarding AI deployment. Italian authorities should also consider exploring ways to enhance co-operation, co-ordination, and information exchange with EU DPAs, as well as other relevant EU non-financial authorities, each acting within its respective mandate.

3.1.3. Encourage stronger AI governance arrangements for supervised entities

Project survey results indicate that Italian firms are currently adopting a wide range of governance approaches. Effective governance can enable safe, responsible AI innovation; increase stakeholder trust; promote wider uptake of AI innovation; safeguard firms and customers; and promote financial stability. The objective is to strengthen AI governance by ensuring boards and senior management establish robust, risk-proportionate oversight of AI systems. Core elements of AI governance efforts are robust AI cyber-resilience frameworks and cross-sectoral co-operation on third-party oversight in line with the EU DORA Regulation.

Italian authorities should support the **strengthening of the organisational governance of AI in supervised entities**, as an integral part of their overall corporate governance framework, with ultimate responsibility lying with the Board of Directors. In line with applicable regulation, Italian authorities may encourage the Boards of supervised entities that plan to deploy AI as part of their ordinary business operations to establish effective strategies for the development and management of AI and to define robust policies for governing and controlling the AI-related risks (including operational, legal and reputational risks). The Boards should also periodically assess the contribution of AI to the entity's performance and verify that the AI-related risks are adequately monitored and managed by senior management. Efforts should be also made to ensure that robust data and model governance frameworks for AI systems are implemented with appropriate human oversight and validation across all segments of the financial system.

Italian authorities could consider supporting stronger governance structures through close engagement with supervised entities or through high-level, cross-sectoral guidance that takes a risk-based approach. Existing governance processes could be enhanced for AI usage with adaptations proportional to the risk and materiality of use cases implemented in line with a risk-based proportional approach. Particular attention should be paid to methods and measures for ongoing assessment of model reliability and robustness by supervised entities, and their oversight by financial authorities. Effective governance should encompass at a minimum human oversight, risk management, safety, security and accountability in line with what is prescribed by the OECD AI Principles, the first intergovernmental standard on AI (OECD, 2019[2]).

The results of the survey point to a heavy reliance on a concentrated number of third-party vendors for AI-related services in Italy. Emphasis could therefore be placed on the **governance of non-critical third**

parties supporting critical or important functions that involve AI deployment, in particular through promoting cross-sectoral co-operation on third-party oversight. Closer engagement and potential guidance could help firms increase transparency around these arrangements and manage associated risks.

Project survey respondents indicated that the adoption of certain AI models is often limited due to explainability considerations. Italian authorities should therefore consider **promoting further use of explainability methods for AI models in a proportionate manner**, depending on the use case.[1] As there is no single "correct" approach to explainability, guidance and support should aim to facilitate seamless integration, in line with a principles-, risk-based approach, reflecting the level of materiality of different AI use cases and their potential impacts for firms, customers, and markets. The scope and timing of such efforts should remain within the discretion of the competent MSAs, based on observed market practices, evidence emerging from supervisory experience, and the evolving state of AI technology.

Importantly, both Italian authorities and financial service providers should **promote consumer AI literacy in financial services**, to complement financial consumer protection, enable safer online behaviour and strengthen trust in digital finance more broadly.

Almost half of Project survey respondents have not implemented any specific safeguards to address the emerging AI-specific cyber threats. Italian authorities should therefore highlight the critical importance of robust cyber-resilience frameworks addressing AI-related risks and promote the reinforcement of cyber-specific preparedness by supervised entities related to AI adoption in line with DORA requirements. **Continued co-ordination with cybersecurity agencies**, both domestically and at the EU level, will be essential to ensure that firms adopt effective AI-focused cyber-resilience frameworks. To support this, existing operational protocols for information exchange and joint incident reporting among financial and cybersecurity authorities could be integrated to address AI-specific threats, such as adversarial attacks and model vulnerabilities to promote timely responses while minimising duplication of efforts.

Italian authorities can **encourage the use of AI-based tools to strengthen cybersecurity and operational resilience** across the Italian financial sector, particularly for FMIs, in a proportionate, non-prescriptive manner, on a voluntary basis. This could include the systematic inclusion of AI-related risk scenarios within existing operational resilience and cyber-testing frameworks, such as DORA and TIBER-EU, with particular attention to FMIs. The promotion of the development of a national guidance and reference taxonomy for AI-related incidents, accompanied by a concrete reporting reference framework, could also be envisaged for the structured classification of AI incidents. This could enable firms and authorities to aggregate, analyse, and reuse incident information already collected under existing frameworks, in alignment with, and building on, existing DORA incident reporting categories and processes.

3.1.4. Promote safe data-sharing frameworks and practices

Data-sharing frameworks, such as Open Finance, provide the foundational infrastructure and critical data flows necessary to enable greater interoperability across the financial sector, serving as a key enabler for the effective deployment of AI in finance for certain use cases (OECD, 2026[3]). The objective is to enable safe, trustworthy and innovation-enhancing data sharing across the financial sector that can support responsible AI training and validation. Ultimately, the aim is to support secure, standardised and interoperable data-sharing frameworks that ensure privacy-preserving data flows, and provide firms with reliable, high-quality datasets that can be used in AI systems. By fostering EU-wide interoperability of regional data-sharing frameworks, Italian authorities can help reinforce the competitiveness of the EU financial ecosystem. This policy consideration also aims to support the objectives of the Savings and Investment Union (SIU) in facilitating secure data interoperability, deepening market integration across the Union and enhancing cross-border investment.

Currently, the open finance framework is awaiting finalisation at the EU level, with the FiDA proposal introducing a cross-sectoral right to access and share data through common interfaces, supported by consent management and liability rules. Complementing this, the SIU strategy positions interoperability as a driver of competitiveness, aiming to reduce cross-border frictions and broaden retail access to investment markets. Italian authorities may take advantage of this policy momentum by **enhancing the cross-sectoral collaboration with other authorities**, along with the industry consultations, to conceptualise how to support data-sharing frameworks in the financial sector, with a view to fostering AI innovation. These initiatives may also encompass discussions to raise awareness concerning data sharing opportunities among relevant stakeholders, along with relevant practices, methods and measures for secure data exchanges and interoperable architectures, such as the use of harmonised APIs, uniform data formats and auditable consent mechanisms.

Italian authorities should also consider conceptualising areas of **contribution to the Common European Data Spaces** (CEDS), which aim to create trusted environments for data exchange across sectors, including finance, under clear governance, privacy-preserving infrastructure and interoperable standards. The European Financial Data Space (EFDS), now in development, will enable secure sharing of financial data to support innovation and open finance, while initiatives like the Data Spaces Support Centre and SEMIC provide technical and semantic tools for identity, consent, and traceability (Data Spaces Support Centre, 2025[4]; European Commission, 2025[5]). Complementary strategies such as the European Data Union and Gaia-X reinforce this architecture with compliance automation, high-value datasets, and federated cloud frameworks, giving firms access to curated, standardised data and reducing integration costs (European Commission, 2025[6]; Gaia-X, 2023[7]). For Italy, participation in these ecosystems could unlock reliable datasets for AI, strengthen legal certainty, and promote scalable, consent-based data reuse under EU law. While the exact modalities of these environments are still being finalised, Italian authorities could conceptualise how to promote participation in EU common data spaces (e.g. EFDS, Gaia-X) by providing guidance and contributing high-quality public-sector datasets where legally possible. This could take the form of engaging with industry players to promote participation of firms in the EU common data spaces, along with other methods of enhancing industry access to safe data exchange platforms. Data-sharing initiatives may also be promoted through innovation facilitators, involving participation by market and technology providers and allowing for exploring business and consumer benefits of data sharing (e.g. new products, improved data protection), while addressing risks observed in the sharing of financial data outside structured frameworks.

3.1.5. Foster and support public-private co-operation

Stronger interaction of the authorities with the industry can deepen supervisory understanding of the practical deployment of AI innovation and the operational contexts of such technologies, while also enhancing the capacity of authorities to identify and address emerging risks in a timely and well-informed manner (OECD, 2026[1]). Close and sustained engagement with the industry can also yield significant benefits for supervised entities, improving the authorities' understanding of any challenges encountered by supervised firms in their compliance efforts (OECD, 2026[1]). The objective is to strengthen public-private co-operation to foster responsible AI innovation and support the competitiveness of the EU financial industry, by enabling regulators and industry to build mutual understanding; improving supervisory insights; creating a more transparent, trusted and well-informed AI ecosystem; while also safeguarding financial consumer protection and fostering financial literacy. Such efforts can also contribute to more robust and transparent AI governance ecosystems across the financial sector.

Italian authorities should **continue promoting closer co-operation and engagement with the industry**, supporting innovation while advancing supervisory oversight objectives. Such initiatives could take several forms, including multi-stakeholder forums, thematic working groups, or offering testing grounds for digital innovation architectures. Italian authorities should build on their existing and ongoing efforts at national and EU level (e.g. Financial Computer Emergency Response Team (CERTfin), Milano Hub, Fintech

Channel) as well as on traditional supervisory activities, such as on-site inspections, thematic assessments, and systematic data gathering, to ensure that financial institutions remain compliant with regulatory standards, adequately manage risk, and uphold market integrity (OECD, 2026[1]).

Italian authorities should also consider novel ways of proactive engagement with industry stakeholders beyond the standard supervisory activities as a way to foster mutual understanding. Examples of initiatives for stronger engagement between Italian authorities and the industry could include model testing to support model validation or public-private AI forums to deepen discussions on key issues (OECD, 2026[1]). Testing of AI models offers a practical way to build trust and transparency, while allowing supervisors to observe model behaviour and firms to receive early feedback on supervisory expectations. Public-private forums can foster a common understanding of expectations and standards, enhance accountability, and support proportional oversight.

3.1.6. Highlight and enhance the role of innovation facilitators

The core objective of this policy consideration is to strengthen and better integrate Italy's innovation-facilitation ecosystem so that financial institutions can safely experiment with AI, leverage expertise and participate in EU-aligned testing environments. Ultimately, it aims to expand safe, scalable, and inclusive AI experimentation, especially for smaller firms, while ensuring coherence with EU frameworks and enhancing cross-border collaboration. Such a safe experimentation framework can play a key role in expanding the number of AI use cases in production, thereby enhancing the innovation and competitiveness in the field.[2]

Italy benefits from a well-developed ecosystem of innovation facilitators spanning all major segments of financial activity. Existing facilitators already enable safe testing of AI applications in finance and foster constructive engagement with the industry. Italian authorities could **build on existing facilitator arrangements to further enhance their impact**: first, by considering fostering access to high-performance computing resources for participants in facilitators; second, by improving data accessibility through the possible sharing of datasets to support safe model testing by financial firms; third, by facilitating access to technical expertise, training and upskilling in domains related to AI development for financial applications; and fourth, by broadening participation in facilitators by encouraging greater involvement of smaller firms in such initiatives, for example through raising awareness of their role. Such widened participation could be encouraged by identifying specific initiatives for smaller firms and setting up networking opportunities among AI market participants. Italian authorities could also consider establishing a dialogue with AI research centres (e.g. AI factories) to address AI capabilities gaps for SMEs. In this respect, Milano Hub could strengthen its role by organising workshops, seminars and masterclasses for the innovation facilitators community on relevant specific themes in order to foster interactions and debate at national level.

Italian authorities could view ongoing regulatory discussions at the EU level as a strategic opportunity to **improve the integration between the national innovation facilitators and any EU-level initiatives**. Such alignment could boost their effectiveness and encourage wider market participation, especially among financial firms operating across EU member states. Italian authorities could also further contribute to any EU-led efforts for cross-border testing within the EU. The draft implementing act also encourages the involvement of other actors within the sandbox, such as research labs and civil society organisations. Beyond sandboxes, Italian authorities might explore additional avenues to foster innovation and upskilling, for example through the introduction of dedicated hackathons (e.g. Innovation Data Challenge (BdI, 2026[8]), or involving the use of AI-based SupTech tools.

3.1.7. Support whole-of-government public sector strategic direction for wider AI diffusion in the finance sector

The objective of this policy consideration is to strengthen the whole-of-government public sector's strategic leadership in guiding AI development and use in the financial sector by deepening collaboration with industry and academia, and by supporting accessible, compliant AI model development. Such an enhanced form of co-operation aims to ensure that all firms, including those with fewer resources, can benefit from shared expertise, research, and infrastructure, catalysing responsible AI innovation and contributing to the competitiveness of the financial ecosystem.

Italian authorities could consider **fostering stronger collaboration between the public sector, the finance sector and academia**, while leveraging existing initiatives (e.g. centres of excellence and AI factories). The authorities could draw on existing initiatives, such as, among others, the Agency for Digital Italy (AGID) *Strategy for Artificial Intelligence 2024–2026* and initiatives promoted by the Italian Banking Association's (ABI) Lab, to facilitate a focus on financial sector applications of AI, while also supporting dedicated research, reskilling and upskilling initiatives in co-operation with the financial industry.

Official sector support for the development of compliant open-weight models by academia and the private sector could also benefit the Italian ecosystem, especially for firms with smaller budgets, which are unable to develop in-house models. Italy's advanced IT infrastructure provides a good basis for public sector support for AI model development, drawing on experience from other jurisdictions.[3]

3.1.8. Strengthen supervisory capacity

The need to equip financial supervisors with the right tools and skills for effective AI oversight in finance is widely acknowledged (OECD and FSB, 2024[9]). Attracting and retaining staff with AI-related skills is a challenge not only for Italian financial sector firms, as reported in the project survey, but also for Italian financial authorities. The objective of this policy consideration is to strengthen the supervisory capacity needed for effective AI oversight by ensuring that financial authorities can attract, train, and retain staff with AI expertise, and by equipping supervisors with modern AI-enabled SupTech tools. Ultimately, it aims to enhance supervisors' ability to monitor AI risks, deploy advanced analytical capabilities, and collaborate across borders.

Italian authorities should consider **further investment in attracting talent with expertise in AI-related fields**, as well as in continuous training and upskilling of existing teams to allow them to combine their domain-specific expertise with a deeper technical understanding of AI systems. Sufficient resources are required to effectively oversee and continuously monitor the evolution of AI deployment in finance, and to allow supervisors to keep abreast of the rapid advances at the technological front. Italian authorities should support **continuous upskilling in AI and other digital financial innovation domains, leveraging EU innovative platforms** such as the EU Supervisory Digital Finance Academy. Efforts could be made towards the development of a structured competency framework and training curriculum. The co-operation model with EU platforms and academia should be defined and mapped with relevant sustainable funding mechanisms. Authorities may also consider establishing measurable indicators for supervisory capability enhancement.

Increased capacity and upskilling of financial supervisors will be necessary to achieve monitoring and oversight objectives, but also to enable authorities to develop and deploy AI as part of the supervisory activity (OECD, 2026[1]). Supervisory Technology (SupTech) tools leveraging AI can also play a valuable role in supporting supervisory tasks, bringing benefits such as automation, enhanced analytics and greater responsiveness to emerging risks. Such tools are already being widely deployed by Italian financial authorities and by other national authorities at the EU level.

EU-level supervisory authorities should consider **strengthening co-ordinated efforts to enable the strategic pooling of expertise and institutional capacity, including for AI-based SupTech tools**. The development or acquisition of SupTech applications involving AI can necessitate significant financial investment, robust technological infrastructure, and specialised internal expertise. AI technologies may be leveraged for supervisory stress testing and to assess the extent of automation used in the production of critical documentation. Closer collaboration could offer a path to pool resources, share knowledge (e.g. sharing of code) and develop common AI-based tools or share existing SupTech applications (OECD, 2026[1]). Joint engagements at the cross-border level for the development and sharing of SupTech solutions, the use of common platforms or co-ordinated training initiatives, can be beneficial in pooling resources and avoiding duplication of efforts. An appropriate collaboration model should be identified for facilitating public-private partnerships in this domain.

3.2. Detailed policy considerations

3.2.1. Strengthen recurring data collection on AI adoption and exposure

Closer co-ordination of data collection initiatives on AI adoption, focusing on common definitions and taxonomies

OECD analysis indicates that information gaps on the rate of AI adoption by financial firms remain a common challenge across OECD economies. Supervisory challenges may stem from the distinctive characteristics of AI innovation, including its opaqueness, complexity and pace of evolution. In this regard, granular data collection is a key enabler for conducting effective risk monitoring on the use of AI technologies in finance (OECD, 2026[1]). Such limitations regarding the visibility of AI adoption are also recognised by the FSB, which encourages supervisory authorities to address data gaps as appropriate and to harmonise measurement methodologies and metrics (FSB, 2025[10]).

Italian financial authorities have considerable expertise in recurring data collection initiatives with the supervised entities. Banca d'Italia (BdI) has been conducting the FinTech Survey to examine the level of adoption of technological innovations across financial services. This bi-annual exercise has taken place since 2017, with the 2025 edition incorporating a dedicated chapter on the use of AI and the implications of the transposing of the AI Act (BdI, 2025[11]). Furthermore, in 2025, BdI launched a new survey on unregulated Italian fintech operators to supplement the previous survey. BdI also releases templates for the self-assessment of ICT risks and collects data from the Regional Bank Lending Survey (RBLS) which examines, among other aspects, how digitalisation of banking services affects banks' geographical structure and relations between regional branches and their headquarters (BdI, 2022[12]). Other recent surveys include the 2023 IT Survey of the Italian banking sector on GenAI, executed by Convenzione Interbancaria per l'Automazione (CIPA) and ABI (CIPA, 2024[13]), as well as CIPA's annual economic survey (CIPA, 2025[14]).

CONSOB and IVASS are also actively monitoring AI adoption in the supervised sectors, mostly on the basis of periodic supervisory documentation, direct engagement with the supervised entities, as well as outreach with academia and other stakeholders. Indicative examples of data collection initiatives include a CONSOB study on the development of the use of AI in the fields of wealth management, conducted in 2021 with Assogestioni (CONSOB, 2022[15]) participation in the 2025 ESMA survey on the level of AI adoption by financial institutions in the securities sector (ESMA, 2026[16]), and an IVASS survey on the use of Machine Learning (ML) algorithms by insurance companies in their relations with policyholders (IVASS, 2023[17]). AI-related data may also be accessed from other reporting obligations.

These initiatives showcase the strong foundations of data collection around digital finance innovation within the financial sector, conducted by Italian financial authorities. Rather than relying on distinct data-collection

methodologies, Italian supervisory authorities could consider enhancing existing data collection frameworks in order to capture AI adoption and experimentation at a more granular level, as a first step through closer co-ordination of authorities' initiatives and efforts to adhere to common definitions. Co-operative efforts could be gradually escalated, starting from enhanced co-ordination of the survey contents among the institutions, and leading to potentially carrying out a joint, AI-specific survey. Any cross sectoral exercises should be carefully designed to ensure meaningful comparability across sub-sectors of financial activity, accounting for their specificities. Several national initiatives by Italian financial authorities already reflect this approach (e.g. the BdI innovation taxonomy, complemented by IVASS for insurance). Moreover, harmonising definitions and methodologies should be carried out in accordance with any EU-level initiatives, as EU-level guidance will play a key role in strengthening comparability and reducing reporting burdens. Consideration may also be given to the role that statistical authorities may play in contributing to data collection initiatives.

Consider conducting a joint industry-wide data collection exercise

Over time, Italian supervisory authorities could consider a harmonised cross-sectoral approach that would promote consistency and comparability while also alleviating the burden associated with multiple surveys from supervised entities operating across multiple sub-sectors. Such co-ordinated industry-wide data collection exercises could occur on a recurrent basis (e.g. every two to three years), ideally using a common template, ensuring alignment in definitions, methodologies and reporting cycles. Ideally, such monitoring would also be included within internal organisational structures, for example by establishing co-ordinating groups for this purpose. In this context, the co-ordination between contacts in different Italian financial authorities organised for the purpose of this project could serve as a starting point. Such a mapping initiative could also involve the identification of key differences distinguishing AI from other currently supervised technologies.

Four hundred and fifty Italian financial institutions completed the OECD project survey. The number of respondents, and the coverage of all major sub-sectors of the Italian financial industry, provide a representative sample and a novel valuable evidence base on AI deployment in finance in Italy. Other OECD jurisdictions have conducted similar surveys, albeit with smaller numbers of respondents, ranging from 400 in Switzerland to between 100 and 200 respondents in Finland, Japan, Sweden and the United Kingdom (FINMA, 2025[18]; FIN-FSA, 2025[19]; Bank of Japan, 2025[20]; Finansinspektionen, 2024[21]; Bank of England and FCA, 2022[22]). Italian financial supervisory authorities may build upon these project results and consider conducting such industry-wide surveys on a recurrent basis, to strengthen their monitoring efforts, for example as a separate part of the BdI FinTech survey, or within other existing questionnaires.

Italian financial authorities could work towards collecting more granular AI-specific data, which could include the incorporation of new AI adoption metrics, drawing from the 2025 OECD project survey and financial stability risk-related indicators proposed by the FSB. For example, the metrics used for the project survey, related to the technical details of AI models deployed, governance frameworks and constraints to wider adoption could be reused, with updates reflecting recently identified topical areas. New AI adoption metrics may also include the risk-related indicators proposed by the FSB in the FSB toolkit for third-party risk management and oversight. A 2025 FSB report identified a wide range of direct and proxy indicators facilitating efficient monitoring of AI adoption and related vulnerabilities in the financial sector. The FSB promotes the convergence of such indicators with domestic metrics, to be combined with enhanced data sharing among national authorities (FSB, 2025[10]).

Promote convergence of data collection efforts at the EU level

Italian financial firms play a significant role in the EU single market, with many companies operating within multinational enterprise groups, notably FMIs. Monitoring the activity of such institutions may be a

challenge for domestic authorities, further exacerbated by the technical complexity of AI technologies and interconnections with third-party AI vendors.

Convergence of data collection efforts at the EU level could help to increase the visibility of such operations, benefiting both domestic and EU-wide monitoring efforts. This would help to reduce the burden on supervised entities that are required to respond to multiple, often divergent, requests, while also improving the quality of the data collected. There is a need to foster greater convergence among European Supervisory Authorities' (ESAs) data collection efforts to promote coherence, as the resource-intensive character of recurring data collection, combined with the inherent complexity of AI technology,[4] may pose challenges for domestic financial supervisory authorities (OECD, 2026[1]).

Co-ordination of data collection at the EU level could be beneficial due to the strategic pooling of expertise, institutional capacity and the enhancement of datasets through aggregation of data from across the sectors and EU jurisdictions (OECD, 2026[1]). Italian supervisory authorities are encouraged to continue playing an active role in EU initiatives by contributing to data collection exercises, leveraging on insights from the project survey, and communicating domestically identified insights to EU-level discussions. High quality insights from EU member states enable timelier EU-level responses that account for national differences. Concurrently, particular attention should be paid to avoiding unnecessary duplication of data collection efforts between the national and supranational initiatives.

Furthermore, harmonising terminology and methodological approaches at the EU level could help to increase the comparability of data collected at domestic levels, while also supporting the national efforts related to taxonomy harmonisation. Italy, along with other EU member states, may largely benefit from standardisation of such metrics at the EU-level. In this context, strengthening co-operation and information-sharing among authorities would therefore be key to achieving a coherent data collection framework.

ESAs play a strategic role in co-ordinating data collection efforts at the EU level. Such convergence should also extend to the SSM efforts, as greater alignment between ESAs' surveys and SSM-level initiatives would help to reduce burden on supervised entities, while strengthening the overall consistency of supervisory data collection across the EU financial sector.

ESAs have been conducting extensive surveys on AI adoption across the EU member states. Notably, in 2025, ESMA released a study on the adoption of AI in EU investment funds (ESMA, 2025[23]). In February 2026, ESMA published an article evaluating recent trends related to the use of AI in securities markets, based on a survey conducted in 2025 across the EU (ESMA, 2026[16]). In 2021, the EBA published a paper on ML used in the context of IRB models (EBA, 2021[24]). EIOPA also published surveys on the digitalisation of the EU insurance sector, including on the adoption of AI, Blockchain and the Internet of Things (IoT). The EIOPA report from 2024 includes findings from a 2023 EU-wide market survey, investigating the dynamics, opportunities and risks of digitalisation initiatives in the insurance sector (EIOPA, 2024[25]).

More formalised and periodic data collection initiatives could be conducted alongside the established informal communication channels that domestic financial authorities already operate with their EU peers. Notably, such channels are becoming increasingly formalised and more widespread in their participation.[5] Co-ordination is crucial to ensure supervisory convergence across the EU and to implement consistent principles of proportionality and risk-based supervision.[6]

3.2.2. Promote and support clarity and simplification of the regulatory and supervisory framework

Promote supervisory guidance, in co-operation with ESAs

Italian institutions responding to the project survey identified clarity and alignment of regulations as the most significant constraint to AI deployment. A significant proportion of respondents reported the absence

of supervisory guidance as a factor shaping the perception of lack of clarity, along with other regulatory challenges. A sound understanding of the interplay between existing sectoral regulations and the new AI-specific regime, and the design of an appropriate supervisory response that avoids overlaps while ensuring consistent risk coverage, is key to promoting the development of safe and innovative AI.

Addressing this challenge will require targeted efforts at EU level to reduce perceived uncertainty and foster consistent regulatory outcomes across member states, ultimately promoting EU competitiveness in AI innovation in a safe and responsible manner, while safeguarding fundamental rights and ensuring financial consumer protection. Supervisory expectations and guidance could provide greater clarity for the finance industry regarding regulatory requirements and how to meet them, thereby promoting more consistent regulatory outcomes (OECD, 2026[1]).

Issuance of public-facing guidance requires EU-level clarifications on regulatory requirements (e.g. via standards and guidelines), followed by co-ordination between domestic authorities to avoid regulatory fragmentation or pacing mismatches. The potential for inconsistencies and gaps in regulatory oversight, especially for global financial institutions, might lead to undesired fragmentation across the EU and loopholes with potential risk of regulatory arbitrage, highlighting the importance of convergence at the EU level.[7] Supervisory guidance could take different forms such as the release of clarifications or supervisory expectations or be communicated through engagement with the industry (OECD, 2026[1]). For example, in the United Kingdom, the Bank of England and the FCA issued a discussion paper regarding specific aspects of the regulatory framework applicable to the use of AI in the UK financial markets, providing an overview of the key rules and guidance under the existing framework that are most relevant to mitigating the risk associated with AI (OECD, 2024[26]).

Any guidance provided should be very carefully designed and calibrated primarily at the EU level, without being overly prescriptive, to avoid negatively affecting AI adoption by impeding firms' ability to flexibly explore using new technologies while also preserving the highest standard of fundamental rights protection. Any initiative should remain compatible with the relevant regulatory landscape in place, while recognising that not all AI systems pose equal risks. The regulatory and supervisory approach should preferably be principles-based and calibrated to the risks and impacts associated with specific AI use cases, while leveraging existing supervisory safeguards (OECD, 2026[1]).

Fostering harmonisation of supervisory guidance at the EU level, facilitated by common interpretation and guidance developed by EU authorities, can ensure consistency in the application of supervisory approaches across member states and avoid regulatory fragmentation, while equipping national authorities with the tools for monitoring compliance with newly enacted legal frameworks, such as the AI Act.[8]

EU supervisory authorities are actively monitoring the application of the regulatory and supervisory framework for AI technologies and issuing guidance where necessary. ESMA has published, among others, guidance on the use of automated systems for provision of investment advisory and portfolio management services (ESMA, 2018[27]); guidance on the use of AI in the provision of retail investment services (ESMA, 2024[28]); and, a warning for investors regarding the use of AI for investing (ESMA, 2025[29]). The EBA issued guidelines on Loan Origination and Monitoring (LOAM) in 2020 (EBA, 2020[30]). EIOPA has published, for example: a report setting out AI governance principles for ethical and trustworthy use of AI in the insurance sector (EIOPA, 2021[31]); and, an opinion on AI governance and risk management (EIOPA, 2025[32]). Other EU authorities are monitoring the need to issue guidance for matters indirectly related to the finance sector, such as data protection.

Italian supervisory authorities should continue to contribute actively to ongoing EU initiatives for the simplification of the regulatory framework applicable to AI with a focus on the finance sector, with each Italian supervisory authority retaining primary responsibility for financial activities falling within its respective designated remit. The Italian financial authorities have noted that the implementation of obligations stemming from the EU AI Act will require intense co-ordination efforts between the authorities, both at the domestic and EU levels, including co-operation with the non-financial authorities involved.[9] A clear

definition of roles and enhanced dialogue between horizontal and sectoral authorities should provide more clarity to the market, respecting the mandate of each institution. Also, a comparative exercise between EU jurisdictions could help to identify best supervisory practices for specific AI use cases.[10]

Furthermore, international co-operation, for example through information sharing and participation in international fora, promotes alignment between different jurisdictions, ultimately benefiting domestic authorities as well (OECD, 2026[1]). Italian authorities should continue to actively participate in international AI-related co-ordination initiatives and discussions, such as in the fora provided by the OECD or the FSB, thereby also benefiting from insights from non-EU jurisdictions.

Clarify supervisory expectations for supervised entities (public-facing)

Clarifications related to the implementation of the EU AI Act

More generally, at the regional level, EU authorities should continue to pursue ongoing simplification efforts and strengthen efforts underway to address perceived uncertainties arising from newly enacted legislation and its overlay with existing sectoral and other applicable rules. High-level clarifications on applicable regulatory obligations, together with supervisory expectations and guidance, could help mitigate perceived ambiguity and provide greater legal certainty, facilitating both internal governance and further investment into AI innovation. This can be particularly relevant as the Italian authorities have already flagged certain areas that would benefit from a clarified interpretation, related to governance and risk management, as well as explainability requirements.[11] Stakeholders could benefit from further clarification on the exclusions from the regulatory definition of AI of simple statistical techniques such as linear or logistic regression that capture predictive applications, in addition to systems used for mathematical optimisation purposes.

Many project survey respondents disclosed concerns related to the application of the AI Act and its overlap with the pre-existing sectoral regulation. Clarifying how the AI Act interacts with pre-existing frameworks could help firms navigate their compliance obligations more effectively and promote legal certainty and consistency across the EU.[12]

EU institutions are actively monitoring the need to clarify the requirements stemming from the newly enacted AI Act. ESMA is currently taking measures to facilitate National Competent Authorities' (NCA) assessment of AI-related market trends supporting AI-related supervisory capacity building, and to assess the gaps and overlaps between the AI Act and the relevant sectoral regulations. The EBA is currently working to promote a co-ordinated and consistent implementation of the AI Act across the EU banking and payments sector, for example through a summary factsheet which was published on the EBA website in November 2025 (EBA, 2025[33]). Banca d'Italia has promoted the set-up of an informal network with many other EU prudential and market authorities, related to the ongoing implementation of the AI Act. AI workshops are also included in the SSM strategy as part of the supervisory priorities. An EIOPA Opinion provides further clarity on the main principles in the insurance sectoral legislation that are applicable to AI systems, even if not considered as prohibited or high-risk under the AI Act (EIOPA, 2025[32]). Furthermore, the EU Supervisory Digital Finance Academy, established by the ESAs and the European Commission provides AI-related training for the NCA staff, as detailed in section 3.2.8.

The formulation of guidance complements the existing, largely tech-neutral rules, while taking into account the distinct characteristics of AI technologies and practical co-ordination challenges due to varying levels of maturity across sectoral regulations.[13] Financial institutions seem to struggle particularly with the application of AI-related risk management frameworks, explainability requirements and output robustness issues (OECD, 2026[1]).

Italian authorities could consider consolidating and harmonising the existing mapping exercises to ensure that the sectoral differences are communicated at the EU level and possibly addressed in the clarifications. In this regard, BdI is in the process of identifying the areas where further guidance on the use of AI in the

banking sector together with other NCAs is needed.[14] In the insurance sector, particular challenges have been identified in the application of new AI requirements (and the exception regime) to the complex statistical models used by the insurers long before the GenAI market boom.[15] Italian authorities are involved in the development of guidelines at the EU level on the interplay between the AI Act and EU financial services laws. Equally important is the role of Italian authorities in effectively communicating the outcomes of the EU-level clarification efforts to supervised entities at the domestic market.

General clarifications of supervisory expectations

Italian financial authorities may also consider issuing public-facing high-level clarifications on the practical aspects of AI experimentation and deployment by the financial sector, including the treatment of data for training and testing. This may take into account the newly enacted AI regulation, without creating new regulatory layers, while distinguishing sectoral differences and involving authorities outside the traditional scope of financial regulation. These should be closely aligned with the principles and objectives established or under development at the European level, and in close co-ordination with the European authorities.

Notably, most respondents to the project survey do not see any major conflicts with existing sector rules or regulatory requirements. Instead, firms call for more co-ordinated and proportionate regulatory guidance, tailored to the particular types of financial sector use cases. Additional clarifications can contribute to providing legal certainty for firms, which may enhance innovation and confidence to direct investment towards AI experimentation (OECD, 2026[1]).

Carefully calibrated clarifications could refer to practical examples of obstacles identified by the supervised entities, relevant to particular AI use cases and experimentation efforts. Providing interpretative guidance and practical clarifications surrounding the existing and emerging high-level principles, for example related to a clear distinction between AI applications supporting internal or operational processes and those directly affecting decision making, market integrity or consumer outcomes, may help firms organise their internal governance frameworks in a robust manner (OECD, 2026[1]). Any such guidance should avoid over-prescription of compliance obligations, especially for smaller entities, which reported regulatory compliance challenges during the project bilateral meetings.

Furthermore, the rapid pace of technological advancement may make overly prescriptive guidance rapidly obsolete. As found in the project survey, currently 39% of respondents use AI as part of their activities, indicating that AI deployment is not yet pervasive. While this could suggest that supervisors may issue guidance later in due course, such an approach must be balanced against the widely reported perceived lack of clarity, notably regarding compliance with the requirements of newly adopted AI regulation.

On a practical level, the Italian authorities could consider including in the publicly issued clarifications the regulatory and supervisory matters that arise in their interactions with industry participants via the innovation facilitator facilities, among other forms of public-private co-operation (see sections 3.2.5 and 3.2.6).

Support compliance with data governance frameworks

Italian firms responding to the OECD project survey identified compliance with data protection requirements as a significant barrier to AI deployment, with particular emphasis on the complexity of compliance with the General Data Protection Regulation (GDPR) obligations. Notably, these insights capture the respondents' perception of administrative burden, rather than suggesting that data protection and data governance frameworks fundamentally hinder the development or deployment of AI systems (including sectoral requirements as provided in Capital Requirements Directive or Solvency II Directive). It should be noted, however, that both commonalities and divergences exist between AI principles and privacy principles (OECD, 2024[34]).

Although issues related to personal data protection compliance fall outside the mandates of the financial supervisory authorities, these could consider strengthening co-operation, co-ordination and information sharing with national and European DPAs. Project survey results show that Italian financial firms are looking for more clarity regarding the application of data protection obligations in a finance-specific context. Moreover, the industry seeks clarity on the treatment of non-GDPR-governed data used for training and testing (e.g. non-personal data, publicly available data, synthetic datasets), which may be subject to reduced protection, but still raise implications for lawful processing, data minimisation, traceability, and model risk, including bias propagation and unintended personal data inference.

Compliance with data governance frameworks has been reported as a challenge for AI deployment across OECD economies. The efficiency and robustness of AI models are highly dependent on the quality of data used for model training, with errors or biases likely to translate to potentially biased or discriminatory outcomes (OECD, 2021[35]). The opacity and lack of explainability of AI systems further limit supervisors' ability to examine the possibility of biased or unfair outcomes. Accordingly, supervisory tasks increasingly include promoting efficient data governance practices, necessary to provide structure to vast amounts of unstructured data used for AI model development (OECD, 2026[1]).

At the EU level, the European Commission's 'Digital Omnibus' proposal makes constructive progress toward the streamlining of regulatory requirements related to AI and data governance, aiming to bring considerable administrative relief. The package is expected to improve access to data by consolidating various data regulations, simplifying cybersecurity reporting, and offering new guidance (EU, 2025[36]). While the Digital Omnibus remains a proposal, Italian financial authorities have an opportunity to engage in the ongoing discussions, for example by identifying the areas where supervised entities, notably smaller firms, could benefit from broader clarifications of the data protection and governance requirements. Once such concerns are identified, Italian financial authorities could consider collaborating with data protection authorities to communicate clarifications on these issues to supervised entities. Authorities could promote industry initiatives to identify practical solutions to the detected issues. Consideration may also be given to spreading awareness concerning the use of technical and organisational tools that support robust data governance practices by the supervised entities. The OECD AI observatory is operating a catalogue of tools and metrics that aim to promote trustworthy AI (OECD.AI, 2026[37]). Other categories of procedural and educational tools can assist with operational guidance and upskilling efforts for all stakeholders. Measures such as fairness metrics and bias mitigation tools may be suggested as possible additions to internal data governance frameworks (OECD.AI, 2026[37]).

Enhance co-operation with non-financial authorities

The cross-cutting nature of AI and the potential for regulatory fragmentation when horizontal regulations interact with sector-specific financial rules, highlight the need for a structured co-ordination between financial supervisors and non-financial authorities (data protection, competition, cybersecurity). More harmonised frameworks for interacting with non-financial authorities, and synergies for cross-regulatory co-operation as initiated at the OECD, may be crucial for clarifying challenges encountered by financial sector participants regarding AI deployment.

In Italy, Law 132/2025 on the "Provisions and powers delegated to the Government regarding artificial intelligence" creates a mandate for AgID and the National Cybersecurity Agency (ACN) to act as national authorities for AI. This is without prejudice to the roles of the financial supervisors (BdI, CONSOB, and IVASS), which are also designated as market surveillance authorities pursuant to and in accordance with Article 74(6) of Regulation (EU) 2024/1689. Thus, the enforcement of the Italian AI law will involve co-operation across different authorities, which could be supplemented with less formalised exchanges and remain responsive to emerging challenges.

EU data protection bodies, notably the EDPB, along with the national DPAs, are actively monitoring the need to issue clarifications regarding the applicability of the requirements to AI model deployment. For

example, the EDPB adopted an opinion in 2024 on the use of personal data for the development and deployment of AI models (EDPB, 2024[38]). At the national level, the Italian DPA (Garante per la protezione dei dati personali) is active in issuing guidance for the application of AI technologies in specific fields, including the use of AI in healthcare services, law enforcement and the detection of tax evasion (Garante, 2024[39]).

Without encroaching upon the mandates of data protection bodies, Italian financial authorities should consider engaging further in the ongoing discussions by adding greater granularity of insights specific to the finance sector. For example, clarifications on what would constitute legitimate interest as the legal basis for the collection of data could be particularly helpful for the training of AI models by the finance sector (and beyond).

Furthermore, co-operation with non-financial authorities may also facilitate the implementation of other policy considerations related to encouraging stronger AI governance (see sections 3.2.3 and 3.2.4).

3.2.3. Require stronger AI governance arrangements for supervised entities

Supporting efforts to promote stronger governance structures

Effective and robust arrangements for organisational AI governance are crucial to manage risks of AI in finance. Effective governance should encompass human oversight, safety, security and accountability in alignment with what is set out in the OECD AI Principles, the first intergovernmental standard on AI adopted in 2019 and updated in 2024 (OECD, 2024[40]). Deployers of AI technologies, like all actors along the AI system lifecycle, should ensure the security, safety and robustness of AI systems throughout their lifecycles, and mitigate risks of harm (OECD, 2024[40]).[16]

The OECD project survey revealed that financial firms are currently applying a wide range of approaches to AI governance, with the use of AI strategies, guidelines, principles and/or codes of conduct tailored to their use of AI applications, as well as cybersecurity and operational risk frameworks reported as the most common frameworks. This creates a layered and heterogeneous framework that while effective in addressing emerging issues, may also result in policy and supervisory fragmentation for specific AI use cases (OECD, 2025[41]). The supportive efforts may include different aspects discussed in this section, such as providing an overview of cross-sectoral assistance on governance frameworks in use, or engaging on specific issues related to non-critical third-party arrangements or strengthening cyber-resilience frameworks.

Italian authorities could consider supporting and promoting the strengthening of organisational governance structures by ensuring that boards and senior management establish robust, risk-proportionate governance, with ultimate accountability resting with the board. In line with regulatory requirements, authorities may encourage boards of entities deploying AI to set effective strategies for AI development and use, and to adopt robust policies for managing associated risks, including operational, legal and reputational risks. Boards should periodically review AI's contribution to performance and ensure senior management appropriately monitors and mitigates AI-related risks. Ensuring the security, safety and robustness of AI systems should also involve producers (safety by design). Italian authorities may also encourage supervised entities to provide supervisory authorities with adequate and timely information regarding their use of AI tools.

High-level, cross-sectoral assistance on the development of AI governance frameworks

Italian authorities could consider supporting stronger governance structures through closer engagement with supervised entities or through high-level, cross-sectoral guidance that takes a risk-based approach. Such collaboration should underscore the importance of maintaining regulatory approaches within

established frameworks, thereby minimising unnecessary administrative burdens while enhancing overall system resilience.

In line with the OECD AI Principles, which recommend systemic risk management approaches to the AI system lifecycle phases and the EU AI Act, a risk-based approach is recommended, as risks may vary across sectors and be more present in different areas (for example, privacy, cyber, bias or financial stability risks), while also having various levels of impact on market integrity and resilience (OECD, 2023[42]).While processes, operations, risk scope, AI system lifecycles and specific terminology may diverge, the ultimate purpose of AI governance frameworks remains the same – supporting responsible, ethical and trustworthy AI (NIST, 2023[43]). Governance environments for AI should be interoperable, so that they can be enhanced for specific AI purposes. Robust data and model governance frameworks for AI systems should be implemented with appropriate human oversight and validation across all segments of the financial system.

Cross-sectoral assistance may support firms in adapting existing governance processes. The framework could include general rules and guidelines relating to the definition, assessment, treatment and governance of identified threats.

Italian supervisory authorities can help firms adopt appropriate AI governance structures by providing an overview of the models currently in use by financial sector participants. Specifically, the authorities could guide Italian financial sector participants by providing high-level, generic assistance on different types of governance frameworks, in line with a gradual approach and in close co-ordination with other Italian authorities. This could be particularly beneficial for smaller entities and firms operating across different sectors, while also facilitating cross-sectoral harmonisation of regulatory requirements (OECD, 2024[26]). The documentation, communication and comparability across sectors would enable stronger oversight and proactive policy formulation supporting robust AI governance (OECD, 2023[42]).

In addition, one practical measure could be the development of standardised multi-sectoral AI terminology and definition catalogues, which can be used as common reference bases for supervised entities, and also supervisory authorities, thereby optimising compliance and enforcement costs (OECD, 2023[42]). Such an exercise could be combined with the general effort of ensuring clarity around the newly established AI regulations (see section 3.2.2).

To support the development of cross-sectoral structures for AI governance in the financial sector, co-operation amongst supervisory authorities is a key prerequisite. The formal establishment of inter-sectoral working groups, which should have clear objectives and roadmaps, is encouraged to support and nurture operational resilience, trust and stakeholder confidence, while also encouraging innovation (GARP, 2025[44]). It is also recommended that supervisory expectations aligned with EU regulation are clarified and that perceived lack of regulatory clarity is addressed, as discussed in section 3.2.2. Furthermore, such efforts should be accompanied by general training and development initiatives, as discussed in sections 3.2.7 and 3.2.8.

Assisting firms in the governance of non-critical third-party arrangements[17]

Third party providers can range from high criticality to non-critical, the latter not being subject to the EU oversight framework. However, the “non-critical” third parties may play key roles in facilitating AI deployment. Closer engagement and potential guidance could help firms increase transparency around these arrangements and manage associated risks. This could also help to cope with the challenges related to the overall perception of regulatory certainty regarding the applicability of emerging technologies and the establishment of sectoral rules, as flagged by OECD project survey participants and discussed in section 3.2.2.

DORA establishes a framework for operational resilience in the EU finance sector. DORA implementation may introduce certain challenges related to the mapping of third parties and/or definitional issues (i.e. uncertainty about the classification of third-party providers). As DORA’s core obligations continue to

apply to in-scope financial entities, AI-related services such as a customer-service chatbot can create potential operational and compliance risks for financial entities.

Considering that not all third parties may be subject to the regulation or oversight of financial sector supervisory authorities, it is essential to promote cross-sectoral co-operation between the competent authorities in financial market-related sectors. A proactive and multi-segment approach can allow for an efficient, real-time identification of risks related to AI deployment, going beyond the financial sector (OECD, 2024[26]; FSB, 2024[45]; US Department of the Treasury, 2024[46]; ECB, 2024[47]).

Challenges related to the governance of non-critical third-party providers are expected to rise with the proliferation of GenAI-based tools, as the deployment of GenAI tools is marked by low transparency (OECD, 2023[48]). Robust governance frameworks should account for the changing technological landscape, including the autonomous action of any system with GenAI capability (OECD, 2024[26]; 2023[48]). In a wider context, Italian authorities may monitor and consider the issue of third-party service concentration from a systemic risk perspective, as widely discussed in international fora (OECD and FSB, 2024[9]; FSB, 2024[45]).

Promoting use of explainability methods

Being able to explain a model's output to people (known as explainability) is crucial for ensuring transparency, accountability and building consumer trust, including through the use of specific techniques such as SHAP or LIME. The importance of explainability of AI-based decisions may be particularly relevant to financial markets due to the potential for consumer detriment or even systemic risks (OECD, 2023[48]; 2021[35]).

The OECD AI Principles, the Basel Core Principles and the Insurance Core Principles have all addressed explainability and emphasised the importance of independent validation, assessment of technical provisions, ensuring suitability for their intended purpose, and allowing for scrutiny and periodic reviews (Perez-Cruz et al., 2025[49]). The OECD Recommendation of the Council on AI specifies transparency and explainability as one of five complementary values-based principles relevant to all stakeholders (OECD, 2024[40]).

At national levels, the Canadian Office of the Superintendent of Financial Institutions (OSFI), the Financial Services Agency of Japan (FSA), the Prudential Regulation Authority (PRA) of the United Kingdom, the Federal Reserve Board (FRB) and the US Office of the Comptroller of the Currency (OCC) are all aligned on the imperative need for AI explainability (Office of the Superintendent of Financial Institutions, 2025[50]; Financial Services Agency of Japan, 2021[51]; Bank of England, 2025[52]; Federal Reserve, 2025[53]; Office of the Comptroller of the Currency, 2021[54]).

Project survey respondents reported that the adoption of certain AI models is often limited due to explainability considerations, especially in highly regulated areas such as pricing, underwriting, and claims management. Under the EU AI Act, transparency requires AI systems to allow for explainability and traceability.

Italian authorities should therefore consider promoting further use of explainability methods for AI models in a proportionate manner, given the current limited use of such tools. As there is no single "correct" approach to explainability, guidance and support could include risk-based principles, reflecting the level of materiality of different finance-sector specific AI use cases and their potential impacts. An overview of different governance arrangements currently in use by Italian financial firms, as discussed above, could also include the identification of various explainability methods deployed by supervised entities. In other words, a stocktaking exercise mapping the explainability methods currently employed by Italian financial-sector firms would help deepen understanding of how such methods are used in practice within the relevant contexts.

Supervised entities should be encouraged to provide adequate and timely information to supervisory authorities on their use of AI tools. The suggested cross-sectoral assistance on governance models would ensure that different explainability standards and thresholds are consistent with Articles 13, 27 and 50 of the EU AI Act (European Union, 2024[55]) but with a more deliberate focus on the financial markets and related activities.

Promote AI-specific financial consumer protection and literacy

In line with clearer explainability, as requested under the AI Act, both financial service providers and Italian authorities should promote consumer AI literacy in financial services. This can help consumers use AI-enabled financial services safely and recognise online fraud, such as phishing and other dangers, reducing the risk of account takeover or data theft. Financial consumer AI literacy complements the general financial consumer protection framework, enabling better understanding by consumers of safe online behaviour practices, thereby strengthening trust in digital finance in general (World Bank, 2025[56]; OECD, 2025[57]).

In this regard, the *OECD Recommendation on Financial Literacy* is the leading global instrument on financial literacy, designed to assist governments, public authorities, and relevant stakeholders in their efforts to design, implement and evaluate financial literacy policies (OECD, 2020[58]). The Recommendation encourages governments and other stakeholders to promote the understanding of the characteristics and risks of traditional and innovative financial products and services, and to empower individuals to use them, depending on their personal situation. Limited digital literacy may also restrict the extent to which consumers and investors can use AI tools to their own benefit, including understanding the opportunities and the risks (OECD, 2023[59]). Furthermore, in September 2025, the European Commission launched the Communication on a financial literacy strategy (European Commission, 2025[60]), which should be used by both providers and Italian authorities in their efforts to promote consumer AI literacy in financial services. The financial literacy strategy aims to help citizens make sound financial decisions, and ultimately to improve their well-being, financial security and independence. In the context of growing AI applications in financial markets, it can strengthen citizens' capacity to engage confidently with AI-enabled financial products and services, enabling them to benefit from innovation in a safe, responsible and well-protected manner.

Robustness in AI cyber-resilience frameworks

As found in the project survey, almost half (46%) of respondents have not implemented any specific safeguards to address the emerging AI-specific cyber threats. Italian authorities should consider emphasising the critical importance of robust cyber-resilience frameworks addressing AI-related risks, promoting the reinforcement of cyber-specific preparedness of supervised entities related to AI adoption, while aligning these efforts with the DORA framework. The authorities should continue to pursue their close co-ordination, both domestically and at the EU level, with cybersecurity agencies, to ensure that firms and their ICT service providers comply with DORA requirements and implement effective cyber-resilience frameworks for AI.

The OECD AI Principles state that AI systems should be robust, secure and safe, and should not pose unreasonable safety and/or security risks. The Principles urge that if AI systems risk being used for malicious purposes (e.g. deepfakes)[18] or cause undue harm or exhibit undesired behaviour, they can be overridden, repaired and/or decommissioned safely as needed (OECD, 2024[40]). Although the OECD has not yet established an explicit, formal definition of cyber resilience, the concept is encompassed within the broader framework of digital security (OECD, 2024[40]), as well as within an explicit recommendation on the application of a systematic risk management approach (OECD, 2024[40]).

AI actors are required to employ a systematic risk management strategy throughout every phase of the AI system lifecycle, taking into account their specific roles, context, and capabilities. Pursuant to the AI Act,

the scope of risk management should address concerns such as harmful bias, human rights – including safety, security, and privacy – as well as labour and intellectual property rights (OECD, 2024[40]).

Under Article 19, DORA imposes obligations related to reporting of major ICT-related incidents to the competent authorities, along with all the relevant information on the incident, in order to assess its significance and possible cross-border impacts. The same article also creates a voluntary basis for financial firms to notify the competent authorities of relevant cyber threats that could impact the financial system (EU, 2022[61]).

The OECD AI Principles are aligned with DORA through their emphasis on an agile policy environment that includes reviewing or adapting frameworks where necessary. This closely correlates with DORA's resilience testing and incident preparedness measures. Additional consistency is evident in the advocacy of policy-driven digital security, aligning with DORA's incident reporting protocols and third-party oversight obligations (OECD, 2024[40]; EU, 2022[61]).

To that end, current operational protocols for information exchange and joint incident reporting among financial and cybersecurity authorities could be integrated to address AI-specific threats, such as adversarial attacks and model vulnerabilities, ensuring timeliness while also avoiding duplication of efforts for DORA compliance. Co-ordination between financial supervisory authorities and the National Cybersecurity Agency is strongly encouraged, underpinned by an incident reporting framework that is aligned with the OECD AI Principles, also extended to international co-operation (OECD, 2024[40]). Financial market supervisory authorities are also encouraged to promote AI research and development including cross-sectoral and interdisciplinary efforts (OECD, 2024[40]).

AI for cyber resilience

Italian authorities may encourage the use of AI-based tools to strengthen cybersecurity and operational resilience across the Italian financial sector, particularly for FMIs. Initiatives could include voluntary certification schemes, collaborative networks such as CERTFin and the sharing of best practices among financial institutions, addressing emerging AI-specific threats such as model/data manipulation and adversarial inputs. This is particularly relevant in the context of the G7 Cyber Expert Group's "Statement on AI and Cybersecurity", calling for ongoing monitoring of the AI-related risks (G7, 2025[62]).

Italian authorities could consider adopting a proportionate, non-prescriptive approach, ensuring that measures remain voluntary and supportive, while helping firms identify and mitigate AI-related risks in practical experimentation and learning environments. Efforts should be informed by recent cross-border discussions,[19] and by ongoing supervisory exchanges and workshops. They could provide a unique contribution by framing AI as both a source of operational risk and a practical tool for cyber defence, offering concrete, data-informed support to institutions and supervisors alike, and reflecting an original approach tailored to the Italian financial ecosystem.

AI scenarios in operational resilience testing

Italian authorities could encourage the systematic inclusion of AI-related risk scenarios within existing operational resilience and cyber-testing frameworks, such as DORA and TIBER-EU, with particular attention to FMIs. Evidence from the project survey indicates that AI is already deployed or actively being experimented with by most Italian FMIs, while at the same time fewer than one in ten financial institutions report mature and continuously updated safeguards against AI-specific cyber threats, highlighting a potential vulnerability in critical market functions.

AI-focused testing scenarios could therefore address concrete failure modes and attack vectors observed in practice and international policy discussions, including compromised or corrupted training data, model manipulation, adversarial inputs, and disruptions affecting the availability or integrity of AI-enabled services supporting critical operations. Embedding such scenarios into resilience testing would support earlier

identification of weaknesses in AI systems and their dependencies, including third-party and cloud-based components.

A pragmatic implementation path could leverage AI sandboxes and other innovation facilitators as environments for piloting and refining advanced resilience scenarios during the experimentation phase, particularly for AI solutions intended for use in critical market infrastructures. This approach would allow resilience considerations to be incorporated upstream, while generating supervisory insight and operational evidence that can progressively inform expectations for the most systemically relevant entities, in line with existing operational resilience frameworks and international best practices.

Promote the development of national guidance and reference taxonomy for AI-related incidents

Promoting the development of national guidance and a reference taxonomy for AI-related incidents, accompanied by a concrete reporting reference framework, would be beneficial.[20] This would provide a structured classification of AI incidents (e.g. direct causes, contributing factors, severity and impact types) and a limited set of consistent reporting fields, enabling firms and authorities to aggregate, analyse, and reuse incident information already collected under existing frameworks.

Evidence from the OECD project survey points to a growing relevance of AI-related incidents and cyber events, alongside increasing complexity and fragmentation of reporting requirements. This is particularly challenging for smaller and less resourced firms, while for FMIs and systemically relevant intermediaries the key issue is the potential propagation of operational and cyber risks across the financial system. A shared taxonomy and reporting reference would help address both dimensions, by easing classification and reporting efforts for smaller actors and enabling effective aggregation, trend analysis and risk monitoring for critical entities, including through anonymised data analysis where appropriate.

The initiative would be aligned with ongoing international work on AI incident classification and reporting, such as the FSB's FIRE framework (FSB, 2025[63]) and designed to be interoperable with existing regimes, including incident reporting provisions under the EU AI Act, the OECD AI incidents reporting framework developed in partnership with the European Commission, and other applicable operational resilience frameworks. By improving the consistency and comparability of incident information, such guidance could strengthen supervisory understanding of emerging AI risks while supporting market participants in developing more resilient AI practices.

Promote a national AI ecosystem to strengthen supply-chain resilience and facilitate access to innovation

The results of the survey point to a heavy reliance on a concentrated number of third-party vendors for AI-related services in Italy. The results also show that financial market participants expect an increasing use of third-party based AI models across key financial market functions, particularly in compliance-related areas such as AML/CFT, as well as more operational areas such as pattern recognition, asset and portfolio management and risk modelling.

Further evidence from the project survey highlights that a significant share of cyber incidents affecting Italian financial institutions occur through third- and fourth-party providers, sometimes leading to material or system-wide impacts. Smaller market participants often lack the resources or expertise to assess and manage these risks effectively, while critical FMIs and key market participants operate in an environment where failures can propagate rapidly throughout the system.

Additional insights from the mapping exercise also show that while AI currently plays a predominantly operational role, Italian authorities and intermediaries recognise its potential to become a central factor in market activity over the medium to long term. A targeted policy option would therefore promote a national AI ecosystem that provides secure, trusted, and interoperable solutions accessible to smaller

intermediaries. This approach would help reduce concentration and dependency risks in the AI supply chain, facilitate adoption of AI innovations and enable smaller players to leverage AI capabilities without incurring disproportionate governance or compliance burdens.

For FMIs and systemically relevant participants, this ecosystem would support more effective monitoring and management of third-party dependencies and cyber risks. For smaller operators, it would improve access to reliable AI services, promote innovation, and reduce barriers to entry. In both cases, the approach would strengthen the overall resilience, inclusivity, and competitiveness of the Italian financial system. This initiative aligns with international discussions on AI and cyber risk management (e.g. G7 Cyber Expert Group Statement on AI and cybersecurity (G7, 2025[62]).

3.2.4. Promote safe data-sharing frameworks and practices

Foster safe data-sharing, operationalise open-finance technical standards and promote other data-sharing frameworks

This section proposes measures to support efficient and safe data-sharing frameworks in Italy, as a way to facilitate the development of AI tools while protecting consumer rights. This complements the policy considerations in section 3.2.2, which focus on facilitating firms' compliance with data governance requirements.

Italy's existing data-sharing frameworks

The current approach to data sharing and interoperability in finance in Italy is based on the EU's Payment Services Directive 2 (PSD2) framework, not on broader open finance. Safe data-sharing exists in some areas, but there are no common systems or clear rules to make it work at scale. There is no indication of a binding, cross-sector API regime beyond payment accounts, with most cross-institution sharing handled through bilateral contracts and heterogeneous interfaces that limit data portability and reusability. Industry conventions exist in interbank automation and secure messaging, yet they do not amount to uniform data package schemas, common taxonomies or end-to-end standards for concerted data portability across product lines. In the Italian insurance sector, current rules allow for – but have not yet implemented – the portability of vehicle IoT data and the sharing of claims information across all non-life business lines. Consented data reuse for analytics is constrained by non-uniform formats and duplication of onboarding steps.

OECD project survey respondents report frictions linked to data licensing, uneven data quality, and non-standard schemas that make cross-firm sharing costly to operationalise. Heavy reliance on bespoke data pipelines and vendor-specific interfaces further raises switching costs and reduces portability. These conditions slow the creation of shared, high-quality, sector-specific datasets that would otherwise underpin interoperable AI solutions across institutions.

Almost one in three survey respondents report data accuracy and consistency as barriers, and over one in four face difficulties accessing necessary data. Among the Italian firms that responded to the survey question on types of training data used, 88% use internal training or fine-tuning data for AI-related applications, while 61% rely on publicly available data. Only 22% disclosed the use of third-party licensed data, and 18% indicated that they employ acquired datasets for training or fine-tuning purposes. These results indicate the importance of both keeping internal datasets of high-quality for in-house AI model development, and of better data-sharing frameworks for AI development for certain use cases.

Box 3.1. Approaches in other jurisdictions that show positive results

Brazil's Open Finance framework shows how regulation-led API standardisation can be user-centric and safe, while achieving mass adoption that readies the ground for AI. The regulatory path from payments modernisation to Open Banking and Open Finance includes mandatory sharing via standardised APIs, strong consent, and cyber safeguards – implemented under Central Bank ordinances and hybrid governance with industry. That structure has scaled: by September 2025 Open Finance Brasil reported 77 million accounts connected, 118 million active consents and over 4 billion weekly API calls, alongside concrete use such as 35 million users of account aggregation, BRL 14 billion in H1 2025 investment aggregation transactions, and BRL 31 billion in credit operations supported by shared data – evidence that safe interoperability can unlock real customer and market value and, critically, a rich, standardised data substrate for next-wave AI use cases.

One of **Singapore**'s Open Finance building blocks, SGFinDex, illustrates a public – private, API-enabled data utility that is already feeding AI-enhanced services. Developed by the Monetary Authority of Singapore with banks and government agencies, SGFinDex lets individuals aggregate bank, government and insurance data through consent secured by Singpass (Singapore's digital ID), providing a common, secure interface for multi-institution financial planning. On top of this, the Singaporean industry has built AI-powered planners and nudging tools: firms leveraged SGFinDex and AI to deliver hyper-personalised insights and broaden inclusion, extending planning to all residents while using consented, standardised data streams. Independent research has mapped Singapore's growing preference for such market-driven or guided Open Finance approaches that pair interoperability with privacy, creating fertile ground for scalable AI personalisation.

Sources: (Borges et al., 2024[64]; Open Finance Brasil, 2025[65]; Banco Central do Brasil, 2025[66]; CCAF and ADBI, 2025[67]; DBS, 2020[68]).

EU and local initiatives can help Italy move towards more interoperable data-sharing frameworks

The interplay between safe, standardised data sharing, Open Finance APIs and AI creates complementary benefits across innovation, inclusion and risk control. Interoperable, consent-based data flows lower integration costs, improve data quality, and enable cross-market portability, which in turn expands the training and validation datasets needed for robust AI while safeguarding consumers through clear accountability and purpose limits. Consistent taxonomies, common data packages and auditable consent lifecycles make model outcomes more testable across institutions, because firms query like-for-like fields rather than bespoke formats; this predictability strengthens downstream explainability and monitoring, and supports pro-competitive entry by reducing vendor lock-in (OECD, 2026[3]). Italian authorities may enhance the collaboration with other financial and non-financial authorities to encourage standardised financial data-sharing as a means to foster AI innovation.

Safe data-sharing also strengthens authorities' ability to spot emerging risks. Interoperable, machine-readable data is associated with better anomaly detection and outcome testing, because institutions and authorities can query standard fields across firms without bespoke transformation (OECD, 2024[26]). Progress on AI for policy depends on data governance and infrastructure; standardised access paths reduce lags and ambiguities that otherwise blunt risk monitoring. Interoperability therefore acts as a two-sided enabler, supporting both business innovation and supervisory insight while preserving clear consent and purpose limits (BIS, 2025[69]).

A standards-first approach would also temper vendor concentration and improve portability. Common APIs and shared taxonomies reduce dependence on proprietary gateways, making multi-cloud and multi-vendor

strategies easier to execute. Interoperable consent dashboards and auditable logs would clarify responsibilities under data protection law, lowering legal uncertainty at scale. Over time, this lowers barriers for smaller institutions to participate in data ecosystems, widening the pool of contributors and the diversity of training data for responsible AI (OECD, 2021[35]; Crisanto et al., 2024[70]).

EU-level instruments point to a path where common APIs, harmonised data packages and auditable consent services support innovation, while safeguarding fundamental rights. The FiDA proposal, once operational, will create a cross-sectoral right to access and share financial data through standardised interfaces, coupled with consent management, liability rules and technical standards that reduce fragmentation (European Commission, 2023[71]). The Savings and Investments Union (SIU) strategy highlights interoperability as a competitiveness lever, aiming to lower frictions in cross-border participation and to widen retail access to investment markets (European Council, 2025[72]; European Commission, 2025[73]).

Importantly, even if the approval of the EU frameworks takes time or stalls altogether, national initiatives can still encourage voluntary or sector-specific data-sharing initiatives to accelerate progress. If implemented, FiDA technical standards can help to prioritise clear consent artefacts, harmonised data packages, and uniform scopes that cover key retail and SME datasets beyond payments. A conformance and certification layer can make participation predictable for incumbents and new entrants, while published reference test suites reduce bilateral negotiation costs (European Commission, 2023[71]). The SIU strategy's objectives align with this direction, as interoperable access to investment data supports household participation and product innovation without prescribing business models (European Commission, 2025[74]). The SIU agenda connects interoperable access with household wealth creation and market depth (European Commission, 2025[74]).

Italian authorities may take advantage of this policy momentum by enhancing the cross-sectoral collaboration with other authorities, along with the industry consultations, to conceptualise how to support data-sharing frameworks in the financial sector, along with the AI innovation. This would help to address the costs involved in the development of in-house AI models, which one in four survey respondents reported as a significant limitation. Specifically, the costs of acquiring data necessary for model development were identified as a large constraint by around 10% of respondents. Interoperable APIs and shared data architectures are linked to lower integration costs, clearer accountability chains and better data quality – conditions that are decisive for model training and monitoring (OECD, 2024[26]).

These initiatives may also encompass discussions regarding the relevant practices, methods and measures for secure data exchanges and interoperable architectures, such as the use of harmonised APIs, uniform data formats and auditable consent mechanisms. Interoperability is achieved through clear API standards, digital consent records, and compliance checks. Typical building blocks include standard data packages for accounts, payments, credit and investments; clear access boundaries and consent lifecycles; certification of participants; and dispute-resolution mechanisms that provide a safety net to commercial agreements. These frameworks are technology-neutral but data-specific, which keeps privacy, security and fairness controls embedded in the interface layer (OECD, 2023[48]).

Productivity, inclusion and performance gains arrive faster when institutions can reuse consented data across functions through stable interfaces rather than bespoke feeds (OECD, 2023[48]). Encouraging the uptake of these – or comparable – data-sharing standards would yield clear benefits for firms and supervisors alike. It would also enhance risk monitoring by enabling machine-readable, consent-driven data flows that support anomaly detection and supervisory oversight. Such a transition should be executed at a responsible pace, with an emphasis placed on ensuring the application of common standards, aiming towards enabling high-quality datasets that support reliable, explainable AI.

Promote participation of financial firms in EU common data spaces and contribute high-quality public-sector datasets where legally possible

Italy's current stance on participation in common data spaces

Italian authorities have promoted innovation through innovation facilitators and dialogues (see section 3.2.6), but a framework that systematically enables Italian financial institutions to engage in Italian or European Union common data spaces would assist AI development. Efforts to improve interoperability and data quality are present yet fragmented and largely voluntary, and firms report hurdles in accessing rich, finance-specific training datasets. Interest in European initiatives exists, but formal participation mechanisms remain limited, leaving institutions reliant on bilateral arrangements or external vendors, which constrains scalability and trust.

EU's common data space projects and their potential for Italy

CEDS will seek to serve as the backbone of the single market for data. They establish trusted environments where public and private actors can share data under fair, transparent access rules, privacy-preserving infrastructures and governance. Finance is one of the 14 CEDS industry domains, and the EFDS is in the implementation phase. The horizontal enablers of CEDS are cross-sector legislation, shared tools and the implementing Act on high-value datasets under the Open Data Directive, which ensures free reuse of key public data. For Italian financial firms, engagement with CEDS would allow firms to work with curated, standardised datasets, combine them with proprietary holdings, and maintain auditable provenance and usage policies (European Commission, 2025[5]).

Within this architecture, practical enablers help authorities and market participants build and operate data spaces. The Data Spaces Support Centre (DSSC) offers a blueprint, toolbox, maturity model and co-creation method, describing building blocks across governance, legal and technical layers. These layers include identity and attestation, access and usage policies, exchange and traceability, and audit trails (Data Spaces Support Centre, 2025[4]). The Interoperable Europe Semantic Interoperability Community (SEMIC) complements this by providing semantic specifications such as the Data Catalogue Vocabulary Application Profile, training and webinars, and work on personal data spaces aligned with the European Data Governance Act,[21] including data intermediaries and data altruism (European Commission, 2025[75]). Linking Italian firms to these communities would ease catalogue harmonisation, cross-border discovery and consent-aware reuse, thus reducing integration costs and strengthening trust.

Italian authorities should also consider conceptualising how to promote participation in EU common data spaces (e.g. EFDS, Gaia-X). Initiatives could also involve clarifying how CEDS participation interacts with existing financial regulation, and guiding supervised entities on how liability, accountability and auditability are still expected when data is accessed via a data space. Italian financial authorities can also consider contributing to selecting high-quality public-sector datasets available through the European data spaces, where legally possible. Finally, co-ordination may be enhanced between national market participants and EU-level dataspace initiatives, contributing to these through national supervisory experiences and best practices as well as through the identification and reporting of any cross-border frictions.

The European Data Union Strategy situates data spaces within a wider plan to unlock high-quality data for AI. It proposes hands-on data labs to bridge data spaces and AI ecosystems, scaling sectoral access for companies and researchers. It also streamlines rules through the Digital Omnibus alongside the European Data Act to lower compliance costs and reduce legal friction. Horizontal enablers include standards for data quality, expansion of high-value datasets and investment in synthetic data capacity to improve the fitness of training datasets. Italian authorities should consider participating in data labs to accelerate curation and labelling of financial datasets, while "one-click compliance" tokens and guidance on the Data Act promise machine-verifiable reuse conditions and clearer documentation of rights (European Commission, 2025[6]).

The European Commission's interoperability layer for data spaces will enable secure data exchange across different infrastructures in plain, testable ways. It comprises an open-source software stack, a testing environment and managed deployments, so participants can share data under enforceable usage policies and monitor performance. Italian authorities could stimulate licensed firms to use the testing environment to assess interoperability before production and the managed deployments to run sector spaces with transparent logs and access controls (European Commission, 2024[76]).

Gaia-X is a European industry-driven initiative involving a federated data and cloud ecosystem that ensures sovereignty, interoperability and trust. Gaia-X develops specifications, governance frameworks and verification services, including trust and labelling frameworks, identity services and compliance checks, providing auditable onboarding and usage control (Gaia-X, 2023[7]). Gaia-X is already active in Italy through Gaia-X Italia, which brings together leading Italian firms and research bodies to develop national hubs and use cases aligned with European standards, offering Italian financial institutions a direct channel to adopt Gaia-X federation services (Gaia-X, 2025[77]).

The EFDS, currently under development, should enable Open Finance by allowing financial data to flow among stakeholders under trusted rules. If implemented with strong safeguards, the EFDS can help reduce bias in AI by giving developers access to broader, more representative datasets, notably in consumer creditworthiness assessment; this requires a clear lawful basis under GDPR, effective transparency and meaningful individual control over processing. EFDS's value will hinge on robust data quality, namely fitness for purpose, completeness, accuracy and usability of formats (Penedo and Kramcsák, 2023[78]; Borowicz, 2024[79]).

Promote safe data-sharing practices

Italian authorities could also consider supporting any efforts by DPAs to raise awareness concerning the use of safe data-sharing practices, on the basis of enhanced co-operation to promote proactive initiatives. The OECD industry survey indicates that Italian firms perceive regulatory uncertainty and data governance constraints as barriers to broader deployment of AI, with pressure points around data access, privacy compliance, third-party reliance and costs. Italian financial authorities may engage with non-financial authorities (e.g. data protection and cybersecurity authorities) to conceptualise promotion of secure, standardised and interoperable data-sharing frameworks that ensure privacy-preserving data flows. Such frameworks may provide firms with reliable, high-quality datasets that can be used for AI system development. Data-sharing initiatives may also be promoted through innovation facilitators, as discussed in section 3.2.6.

An example of such practices may be found in Privacy Enhancing Technologies (PETs), as tools and methods that enable analysis and sharing of data while preserving privacy, confidentiality and compliance. They help institutions collaborate and extract value from data without exposing personal or commercially sensitive information (OECD, 2025[80]). There are diverse technologies that enable safe and efficient AI development. For example, homomorphic encryption lets computations run on encrypted data, revealing only the result and reducing disclosure risk across partners and vendors. Secure multiparty computation splits inputs across parties and combines partial results to compute a function without revealing each party's input. Federated learning trains models across distributed datasets so that data remains in local environments while only gradients or parameters move. Synthetic data generation creates artificial datasets with similar statistical properties to the originals, enabling testing, validation and benchmarking without using real personal data. When these PETs are combined with governance and audit controls, they support scale, speed and trust in AI for regulated use cases (OECD, 2025[80]).

Italian authorities could also focus on safe testing capacity and shared learning to explore specific data-sharing practices. Italy's innovation facilitators can leverage peer lessons to set practical targets. Italian authorities could include specific cohorts in the sandboxes with synthetic data benchmarks for portfolio analytics, market research and post-trade, and Milano Hub could convene discussion groups with banks,

asset managers and FMIs to foster mutual understanding. Authorities could encourage synthetic data baselines for key market functions so firms compare models without sharing real data, and host federated learning pilots for market analysis and post-trade analytics that build common evaluation methods. Playbooks could document integration patterns for financial workflows, linking them to audit and reporting expectations so firms learn and scale within existing frameworks while raising trust and performance (OECD, 2024[26]). Supervisors can anchor these patterns to proportional principles used in prudential practice, ensuring that the adoption of such practices complements existing model governance and validation expectations.

The promotion of international alignment matters because many Italian financial firms operate across borders. Established data-sharing practices may reduce frictions when data cannot move freely and support stronger competition, faster product cycles and reduced model risk in market-facing activities (OECD, 2024[26]). As firms adopt privacy-preserving workflows, operational risks decline and governance improves; customers gain stronger protection and faster services, while staying aligned with EU law and global practice, including practices involving synthetic data and federated learning.

3.2.5. Foster and support public-private co-operation

*Increase AI collaboration between the industry and the public sector (*e.g. *multi-stakeholder forums, thematic working groups, joint testing frameworks)*

Ongoing public-private co-operation in financial innovation in Italy

Italy's financial authorities have encouraged dialogue with industry on AI adoption, but structured public – private co-operation remains limited. Engagements have mostly taken the form of consultations and roundtables rather than permanent frameworks, including the Roundtable on AI in Finance held at BdI in June 2025. There is potential to expand the range of formal public-private collaborative structures, building upon the success of CERTfin (see below), for example by establishing initiatives specifically for AI deployment. Firms consulted during the course of the project expressed strong interest in frameworks that enable joint exploration of AI use in market activities, emphasising trust-building and governance alignment rather than operational testing mechanisms. Such initiatives could take several forms, including multi-stakeholder forums, thematic working groups or be based on offering testing grounds for digital innovation architecture. Moreover, innovation facilitators (e.g. Milano Hub and Fintech Channel) also play an important role in fostering public – private co-operation by providing a common space for dialogue between public and private stakeholders – as discussed further in section 3.2.6. Ongoing forums on selected topics could be established to facilitate structured exchanges between market operators and authorities, allowing for the discussion of practical experiences, emerging challenges, and regulatory perspectives. The insights emerging from these discussions could contribute to the development of shared standards and best practices among industries.

A notable example of co-operation already in place is the Italian CERTFin. This initiative brings together financial institutions and public authorities to strengthen cyber resilience through information sharing and co-ordinated responses to threats (CERTFin, 2025[81]). CERTFin demonstrates how structured collaboration can deliver tangible benefits: improved preparedness, faster incident handling and a common language for risk management. Italy's national AI strategies also emphasise collaboration between public administrations and private entities, with objectives such as promoting research partnerships and creating favourable conditions for AI value generationv (AGID, 2022[82]; AGID, 2024[83]). While these strategies are economy-wide rather than finance-specific, they underline the policy commitment to public-private co-operation, which could inspire sectoral initiatives tailored to financial markets.

Public-private co-operation initiatives in other jurisdictions

International experience shows that jurisdictions investing in collaborative frameworks for AI reap significant benefits. Multi-stakeholder forums and thematic working groups could align expectations and foster trust. These platforms could help clarify supervisory priorities, reduce uncertainty and accelerate safe innovation.

In the United Kingdom, sustained engagement between regulators and industry has supported the development of principles-based guidance, enabling firms to scale AI responsibly while maintaining market integrity (UK Government, 2023[84]; 2025[85]). The AI Lab of the UK FCA serves as a dedicated hub for exploring artificial intelligence applications in financial services, providing technical guidance, ethical frameworks and collaborative research opportunities (FCA, 2024[86]). Additionally, the FCA has introduced AI Live Testing, a controlled environment that enables firms to validate AI-driven models under regulatory oversight (FCA, 2025[87]).

Similarly, the Monetary Authority of Singapore (MAS) has initiatives that aim to foster digital innovation through public-private collaboration. The API Exchange (APIX) initiative offers an open architecture that connects financial institutions, fintech firms and regulators. APIX facilitates interoperability and accelerates innovation by providing access to curated APIs, developer tools and a secure testing ecosystem (APIX, 2025[88]). Notably, MAS established the Global Finance & Technology Network (GFTN), a consortium that promotes cross-jurisdictional dialogue, with the aim of harmonising approaches to emerging technologies, reducing regulatory fragmentation, and strengthening global financial systems through co-ordinated experimentation and knowledge sharing (GFTN, 2025[89]). GFTN has developed ALFIN, an AI-driven tool for financial firms' research and business intelligence needs (GFTN, 2025[90]). The UK's and Singapore's initiatives provide examples of governance-oriented co-operation frameworks, rather than specific sandbox operations, which could be partially or entirely replicated for the benefit of Italy's financial sector. Relatedly, detailed sandbox design and access policies are treated in section 3.2.6.

The relevance for AI development of increased joint action between private and public actors

In this sense, policies that nurture co-operation can create an environment where innovation and oversight evolve together, facilitated by knowledge sharing and standards alignment (OECD, 2026[1]). Close and sustained engagement with the industry can also yield significant benefits for supervised entities, improving the authorities' understanding of any challenges encountered by supervised firms in their compliance efforts (OECD, 2026[1]). This mutual learning reduces fragmentation, builds resilience, and unlocks productivity gains and operational efficiencies across financial markets (OECD, 2021[35]; 2024[26]; BIS, 2025[69]).

Italian authorities could explore more proactive forms of engagement with industry that go beyond routine supervisory practices. Traditional tools such as on-site inspections, thematic reviews and systematic data collection already support dialogue, but these could be complemented by deeper interaction in order to spur awareness of market operators regarding specific topics related to responsible innovation (e.g. compliance, market integrity) (OECD, 2026[1]).

Innovative approaches could be further strengthened by scaling up existing practices such as joint testing,[22] which could create opportunities for constructive exchanges between firms developing or deploying AI systems and supervisory bodies. Shared evaluation environments (e.g. through controlled experimentation mechanisms) allow supervisors to observe model behaviour under controlled conditions and give firms early feedback on supervisory expectations, while firms benefit from early feedback on compliance and risk expectations. Similarly, dedicated public-private forums can provide a platform for discussing emerging issues, clarifying standards and promoting accountability. Over time, these initiatives can underpin proportional oversight and contribute to a more resilient and transparent AI governance

framework across the financial sector, accelerating safe adoption and reinforcing market confidence (OECD, 2026[1]). Such an enhanced co-operation should not be understood as binding on NCAs and MSAs in their assessments, nor as replacing or altering the independent exercise of the respective supervisory mandates. Each authority would retain full autonomy in the performance of their statutory tasks, while also benefitting from the information-sharing and resource-pooling advantages.

Broad policies that encourage structured dialogue, joint experimentation and voluntary codes can help Italy bridge knowledge gaps and strengthen trust without constraining innovation. Over time, these efforts could lead to clearer expectations, more robust governance and a competitive edge for Italian markets, complementing rather than substituting operational instruments like sandboxes.

3.2.6. Highlight and enhance the role of innovation facilitators

Promoting the existing national-level innovation facilitator ecosystem

Innovation facilitators can play an important role in supporting a responsible and safe integration of AI innovations in financial markets, consistent with the OECD AI Principles (OECD, 2024[91]). They foster closer collaboration between market participants and authorities, helping to address regulatory barriers, while sending a positive signal about the commitment to responsible innovation. While section 3.2.5 focusses on strategic co-operation frameworks, this section addresses arrangements in the form of innovation facilitators.

Italy benefits from a well-developed ecosystem of innovation facilitators spanning all major segments of financial activity, enabling safe testing of AI applications and fostering constructive engagement with the industry. A financial regulatory sandbox (“sandbox”) has been active since 2021, allowing supervised entities and FinTech operators to test innovative products and services for a limited period. The sandbox is operated by BdI, CONSOB and IVASS, under the co-ordination of the Fintech Committee, set up at the Ministry of Economy and Finance. Participants must demonstrate that a sandbox project: is innovative; requires an exemption from an existing rule, or joint testing or examination in a controlled environment; adds value for end users or enhances existing processes; is at a sufficient level of maturity; and is economically viable.

BdI also established in 2021 the Milano Hub, which offers consulting services, mentorship, and educational components to financial intermediaries, startups, and research centres, to accelerate the development of projects and promote the quality and safety of specific innovations. Milano Hub works via “Calls for Proposals” focussed on specific themes. The selected projects receive developmental support through technical expertise in specific areas, as well as involvement in events with representatives from the projects, institutions and the academic world. Milano Hub has already supported projects on AI in banking, financial and payment services, as well as AI-driven projects related to digital payments.

The FinTech Channel is a contact point for market participants to engage with BdI and propose or present innovative solutions. Entities may also seek informal advice and guidance (e.g. on regulatory or licensing matters) and learn about other relevant support initiatives. BdI does not provide formal recommendations or legal advice via this Channel, but rather it serves as a mechanism to simplify engagement with industry, especially smaller firms and new entrants. The FinTech Channel has also actively supported AI innovation, with 48% of the interactions in 2024 relating to projects that feature AI solutions.

The effectiveness of the facilitators is ensured through the introduction of amendments streamlining the Sandbox. The new version of the ministerial decree under which the Sandbox operates will be published shortly in the Italian Official Journal.

*Enhancing the innovation facilitator ecosystem, including encouraging smaller firms to participate, including non-supervised (*e.g. *FinTech start-ups)*

Italy could consider promoting access to high-performance computing resources for the participants in innovation facilitators, as proven useful in other jurisdictions. For example, in 2024 the Hong Kong Monetary Authority (HKMA) and Hong Kong Cyberport Management Company Limited (Cyberport) jointly introduced a GenAI Sandbox, providing a risk-controlled environment to develop, test and pilot innovative AI-based solutions in real-world banking scenarios (HKMA, 2024[92]). The second cohort of Sandbox participants will benefit from access to computing power facilitated by the Cyberport's AI Supercomputing Centre (HKMA, 2025[93]). Promoting access to such resources for Italian financial sector participants could for example be carried out as part of the European High Performance Computing Joint Undertaking (EuroHPC JU), via an access call or under the AI Factories Industrial Innovation track (EuroHPC JU, 2025[94]), and leveraging the computing power of the Italian AI Factory IT4LIA (IT4LIA, 2025[95]).

Italy could improve data accessibility through the possible sharing of datasets to support safe model testing by financial firms. Participants in the OECD project survey identified challenges related to the availability of quality, AI-compatible data, and the skills and talent needed to develop AI tools as key non-regulatory constraints to AI deployment. Solutions aiming to respond to such challenges have been tested in other OECD jurisdictions, such as Korea. Since 2017, Korea's AI Hub has provided publicly available, AI-compatible datasets to support AI model development, and to manage risks related to data quality and personal privacy (AI Hub Korea, 2024[96]). Both synthetic and real datasets are provided, in a range of formats and covering various topics. In 2024, the Korean AI Hub released a synthetic financial dataset assembled in partnership with several local data companies and Dong-eui University. Italy could consider taking a similar approach, with financial authorities, academia and the private sector working jointly to identify the types of datasets that would be valuable for testing AI innovations in the financial sector, and develop a framework to collect and provide access to such datasets, for example via the ABI's AI Hub.

Italy could also expand the provision of technical expertise, training and upskilling in domains related to AI development for financial applications, Milano Hub could strengthen its role by organising more workshops, seminars and masterclasses for the innovation facilitators community on specific relevant themes, in order to foster interactions and debate at the national level. One way to achieve this could be partnering with the private sector and academia, to draw on skillsets not available in the public sector. One example is Malaysia's AI Sandbox Pilot Programme ("Pilot Programme"), administered by the Malaysian Research Accelerator for Technology and Innovation (MRANTI) in collaboration with the private sector, which provides training, capacity building and technical support for innovators and entrepreneurs (MRANTI Malaysia, 2024[97]). The topic of skills development is discussed further in section 3.2.7 below.

Italy could consider encouraging smaller firms to participate in the innovation facilitators. During the project bilateral meetings, financial firms noted that regulatory sandboxes can play a valuable role in alleviating some of the regulatory burdens for the testing of AI models. To that end, the Milano Hub's latest Call for Proposal includes an allocation for SMEs. A similar approach could be taken for the Sandbox. Additionally, the Italian authorities could encourage participation of smaller firms through enhancing awareness-raising of the innovation facilitators and their respective benefits and continuing to provide assistance to prospective applicants on meeting eligibility criteria for participation. Smaller firms may also benefit from networking sessions, where established firms may provide informal advice to new market entrants related to points of interest raised by the firms. Italian authorities could also consider establishing a dialogue with AI research centres (e.g. AI factories) to address AI capabilities gaps for SMEs.

Better integration of the EU and national level innovation facilitator frameworks

Italian authorities could also consider the implementation of the EU AI Act as a strategic opportunity to improve the integration between the national-level innovation facilitators and the EU-level initiatives. More

specifically, Article 57 of the AI Act requires national competent authorities to establish an AI regulatory sandbox either at the national level or jointly with other member states (European Union, 2024[55]). The Italian authorities are currently evaluating whether the existing sandbox meets the requirement of the AI Act. Increasing co-ordination between the Italian and EU levels can enhance the effectiveness of innovation facilitators, encourage more market participation and promote competitiveness across Europe.

The EC has published a draft implementing act for the establishment, development, implementation, operation and supervision of AI regulatory sandboxes, consistent with Article 57 of the AI Act (European Commission, 2025[98]). The draft implementing act features detailed common rules on the participation in AI regulatory sandboxes, which is to prioritise SMEs, free of charge. It also promotes the set-up of joint AI regulatory sandboxes, through appropriate framework agreements, for example a memorandum of understanding.

Italy could consider establishing a centralised, finance-sector-specific AI sandbox, building upon the existing successful arrangements. The draft implementing act on AI regulatory sandboxes encourages the establishment of sector-specific sandboxes at different levels, particularly for areas of strategic importance and in cases of notable regulatory implementation challenges (European Commission, 2025[98]). Italian authorities could evaluate whether the finance sector would warrant a sector-specific AI sandbox.

Italy could consider formalising its engagement with financial authorities in other EU member states for information exchange on innovation facilitators. Informal exchanges are already in place and may gradually evolve into a more formalised structure. The Italian authorities may consider participating in EU-level AI innovation facilitator initiatives that will be promoted within the EU framework. Italy could continue to enhance co-operation agreements with partner institutions, in the form of information sharing agreements, MoUs and reciprocal arrangements. The Milano Hub has already signed MoUs with Le Lab – Banque de France and is strengthening its collaboration with the Central Bank of Ireland, to facilitate activities aimed at supporting market innovation.

At a more ambitious level, Italian authorities could contribute to any EU-wide efforts to support cross-border testing. The cross-border sandbox could allow firms to test AI innovations under the supervision of a national financial authority, while also benefitting from input or review of authorities in other jurisdictions where the firm plans to operate. This could contribute to lowering the perceived barriers to cross-border activity and help to identify any inconsistencies in regulatory or supervisory approaches across different countries. Such cross-border sandboxes have been introduced in other jurisdictions. For example, in 2023, the People's Bank of China, the Hong Kong Monetary Authority and the Monetary Authority of Macau signed an MoU to integrate their respective regulatory sandboxes, allowing FinTech companies to test innovations that span the borders of the three jurisdictions (HKMA, 2024[99]). Italy could play a leading role in this respect, leveraging the experience of operating its Sandbox across the three national financial authorities.

The implementing act on AI regulatory sandboxes also encourages EU Member States to involve other actors in the process, such as national or European standardisation organisations, research and experimentation labs and relevant stakeholder and civil society organisations, which could be further considered in the Italian context (European Commission, 2025[98]).

3.2.7. Support whole-of-government public sector strategic direction for the AI development and use in the finance sector

Fostering stronger collaboration across industry, academia and authorities

There is a strong case for whole-of-government public sector intervention to encourage greater collaboration between the public sector, the financial industry and academia. Among the non-regulatory constraints highlighted by the industry in the project meetings, concerns related to skills gaps emerge as

a significant category. This section highlights areas where collaboration could build on existing initiatives and have a strong impact on enabling AI deployment in Italian financial markets.

Assist in upskilling staff and in practical AI deployment

Supporting dedicated research, reskilling and upskilling initiatives in co-operation with the financial industry can help to address the reported skills gaps. As mentioned in section 3.2.6, AI development and deployment rely on a broad range of skillsets, at the intersection between computer programming, database management and statistics, as well as ethics and compliance functions (OECD, 2023[100]).

Italian financial firms report that they face skills gaps, both at the managerial level regarding governance approaches to AI (see also section 3.2.3 above) and among staff using and developing AI systems. Firms are taking different approaches to address this, for example through internal sandboxes, AI labs and dedicated AI teams, and through training programmes. However, there are opportunities for synergy, drawing on the different strengths and resources of firms, research institutes and the public sector.

Italy can build on the initiatives proposed in its Italian Strategy for Artificial Intelligence 2024–2026 ("AI Strategy") (AGID, 2024[83]). The AI Strategy calls for the development of specialised technical courses, such as at the postgraduate level, to train researchers as future promoters of AI adoption. It also prioritises re-skilling and up-skilling programmes for managers and technicians operating AI. These objectives should be pursued in co-operation with the financial industry to ensure relevance to sector-specific applications.

Leveraging existing centres of excellence and AI factories

Fostering collaboration among industry, academia, and supervisory authorities can support upskilling and practical AI deployment, as considered in section 3.2.8. Access to resources for such upskilling may be facilitated by leveraging existing centres of excellence and AI factories, tailored to the specifics of the finance sector.

One model proposed in the AI Strategy is "industry-specific Academies" that bring together training bodies, trade associations, and medium-large companies to deliver reskilling and upskilling courses for workers of participating companies and their suppliers. This approach aims to pool resources to build high-quality training that can benefit a whole industry, and to more effectively attract talent into the industry. Italy's financial sector is a strong candidate for such an approach, given the available financial resources and active industry bodies.

For example, the ABI Lab, as a research centre bringing together Italian banks, IT providers and digital experts, could serve as a basis for an "AI in Finance Academy", drawing on its existing resources and networks. The AI4I, founded by the Italian Government to perform transformative application-oriented research in Artificial Intelligence, could also expand the services it provides to include in-depth and systematic training courses, including hands-on experimentation with AI using the on-premise HPC cluster and the Leonardo EuroHPC supercomputer located in the Bologna Technopole (AI4I, 2024[101]).

Another example of a private sector-driven AI centre of excellence is the Agorai Innovation Hub, inaugurated in April 2025 (Generali, 2025[102]). Agorai brings together private and public sector bodies alongside academic institutions, to promote applied research, support the development of startups and provide training for firms to upskill in AI domains.

Availability of such centres of excellence and supercomputer resources may be particularly useful for smaller entities that lack access to advanced infrastructure necessary for AI model development. Italian authorities may consider ways of involving private entities in the research and experimentation efforts, for example by signing MoU for this purpose.

Upskilling is also facilitated by academic research and collaborations. In January 2026, BdI launched a collaboration with the Central Bank of Ireland for the Innovation Data Challenge 2026, a joint initiative

designed to foster research and innovation in the retail payments sector. This challenge, involving multiple leading universities, will allow students to work with synthetic and real-world financial datasets, thereby promoting innovation while adhering to the data protection standards (BdI, 2026[8]). Such initiatives promote responsible innovation, while supporting wider upskilling and helping to identify AI talent. Such hackathons could be based, for example, on AI-based SupTech tools.

Support testing and development of compliant open-source models

Official sector support for the development of compliant open-source or open-weight models[23] by academia and private actors could strengthen Italy's AI ecosystem, especially for firms with smaller budgets that are unable to develop in-house models. While the authorities should not be required to introduce these specific models, consideration could be given to analysing how the models operate and whether they would provide cost-effective alternatives for firms unable to build proprietary solutions, reducing barriers to entry and promoting competition in the domestic context.

Drawing on the availability of an innovation-friendly ecosystem, Italian authorities can contribute to the testing and development of open-source AI models that can be used by financial market participants, drawing on examples from other jurisdictions, such as Switzerland, and combining transparency, compliance and technical robustness.[24]

Italy's advanced IT infrastructure, including high-performance computing resources, offers a strong basis for such initiatives. Public sector involvement should focus on enabling collaboration and providing access to infrastructure, rather than leading development directly. Italian-developed AI models could ensure compliance with domestic and EU laws, while also reflecting social and cultural preferences, which is also described as a priority in the AI Strategy (AGID, 2024[83]).

3.2.8. Strengthen supervisory capacity

Enhance capacity for authorities at the national and EU level

The need to equip financial supervisors with the right tools and skills for effective AI oversight in finance is widely acknowledged (OECD and FSB, 2024[9]). Likewise, increased capacity and upskilling of financial supervisors will be necessary to achieve monitoring and oversight objectives, as well as to enable authorities to develop and deploy AI as part of the supervisory activity. A proportionate, risk-based approach should also guide the supervisory authorities themselves when deploying AI-enabled SupTech tools or other AI systems for supervisory purposes. This would reinforce consistency and credibility in the supervisory approach. Each national competent authority should maintain adequate staffing levels, with personnel trained in the latest AI disciplines, while also allowing participation in international capacity-building activities (OECD, 2026[1]).

All three Italian financial authorities have been designated as MSAs under the Italian Law No. 132/2025 implementing the EU AI Act. Under the EU Regulation, MSAs are entrusted with monitoring the compliance of AI systems with the law and are responsible for reporting on their supervisory activities at the EU level. In this context, ongoing strengthening supervisory capacity is necessary to ensure adequate oversight of AI use in finance, in line with the EU framework. The designation as MSAs also demands effective cross-border co-operation at the EU level, as well as effective co-ordination with non-financial authorities, as discussed in section 3.2.2.

Attracting and retaining staff with AI-related skills is a challenge not only for Italian financial sector firms, as reported in the project survey, but also for Italian financial authorities. Sufficient resources are required to effectively oversee and continuously monitor the evolution of AI deployment in finance. Italian authorities should consider further investment in attracting talent with expertise in AI-related topics, as well as in continuous training and upskilling of existing teams to allow them to combine their domain-specific

expertise with a deeper technical understanding of AI systems (OECD, 2026[1]). The achievement of this objective will depend on the availability of adequate resources to upskill the current workforce and to onboard new skilled staff, particularly in AI and data science, as well as to create synergies between innovative knowledge and legacy expertise.

The EBA, ESMA, EIOPA and SSM offer a range of programmes, courses, workshops and other initiatives to promote upskilling for national and EU supervisors on AI in the financial sector. Box 3.2 provides an indicative list of such offers. While the breadth of material and activities on offer are positive, there is potential to extend accessibility, consolidate these programmes and provide coherent training and upskilling pathways.

In general, most efficient programmes tend to focus both on technical skills and knowledge of AI technologies, and on broader skills needed to effectively operate them. The level of technical upskilling provided should be tailored to the different profiles and responsibilities of supervisory staff, while ensuring a minimum baseline understanding of the unique features of AI technologies (OECD, 2026[1]).

Given the fast-evolving nature of AI technology and the rapid cycles of innovation involved, supervisory staff should have access to continuous training and capacity-building activities, rather than ad hoc or one-off initiatives (OECD, 2026[1]). A sustained approach to upskilling will help supervisors face the constant challenge of keeping their knowledge, skills and oversight frameworks up to date. The OECD in co-operation with the European Commission – SG REFORM and Bank of Italy organised a roundtable event at the premises of BdI on 12 and 13 June 2025, which received very positive feedback regarding the role of information-sharing facilitated by the initiative, notably across the authorities and jurisdictions.[25]

The EU Supervisory Digital Finance Academy (EU-SDFA, see Box 3.2) appears to be an appropriate candidate for a consolidated EU-level platform for continuous upskilling in digital financial innovation domains. All four Italian financial authorities are partners of EU-SDFA. European authorities could consider continuing this initiative beyond the end of the Technical Support Instrument cycle under which it is currently funded or linking these initiatives with some form of public-private co-operation, as discussed in section 3.2.5.

Italian authorities should support continuous upskilling in AI and other digital financial innovation domains by leveraging on EU innovative platforms, such as the EU-SDFA. Efforts could be made towards the development of a structured competency framework and training curriculum. The co-operation model with EU platforms and academia should be defined and mapped with relevant sustainable funding mechanisms. Authorities may also consider establishing measurable indicators for supervisory capability enhancement.

Where relevant, it may also be valuable to involve authorities in other policy domains (OECD and FSB, 2024[9]). For example, the European and national-level competition and DPAs can bring complementary perspectives, to understand the impacts of AI on markets and consumers. EU-wide development and access to SupTech tools, common platforms, and co-ordinated training at both national and EU levels are encouraged and can be further supported by public-private partnerships (see section 3.2.5.).

Box 3.2. Existing upskilling and capacity-building initiatives for supervisors across Europe

This box provides an indicative list of recent initiatives at the EU and global level to provide training, capacity building and experience-sharing for European financial supervisors on AI technologies.

EU Supervisory Digital Finance Academy training on AI in finance

The EU-SDFA was established through the technical support instrument (TSI) by the European Commission – SG Reform, in co-operation with the EBA, ESMA, EIOPA and the Florence School of

Banking and Finance. It provides comprehensive training cycles and workshops to support upskilling, knowledge sharing and peer-to-peer exchanges within the financial supervisory community in Europe. EU-SDFA provides a range of AI-related courses and activities, including:

- **Introduction to AI** – an online course that introduces AI in the financial sector. The course begins with foundational AI concepts and traces the recent evolution into Generative AI. It then examines critical AI risks and explores the fundamentals of the AI Act.
- **Supervising and Regulating AI in the Financial Sector** – a forthcoming (2026) residential course providing a comprehensive foundation of the technical, regulatory and supervisory aspects of AI in the financial sector. The programme will cover the full AI model lifecycle, emerging market applications in banking, insurance and securities, as well as the evolving risk landscape shaped by advanced algorithms and autonomous agents. The course aims to equip supervisors and practitioners with the tools needed to evaluate AI model risks, ensure fairness and transparency, and adapt governance frameworks to a rapidly transforming digital ecosystem.
- **ECB Supervision Innovators Conference – AI in action: Shaping the future of banking and banking supervision** – This conference brought together leading global supervision innovators and banking representatives to foster collaboration and explore the latest trends and developments in artificial intelligence and innovation.

UNESCO project: Supervising AI by Competent Authorities

The project aims to equip European national authorities with tools, knowledge and peer support to supervise AI systems effectively. The project's capacity-building programme includes national-level training sessions across the EU, with sessions in 2025 delivered in 12 EU member states reaching over 700 civil servants. The project supports the broader implementation of the 2021 UNESCO Recommendation on the Ethics of AI.

EIOPA workshop: Artificial Intelligence Supervision

The aim of the event was to discuss with competent national authorities the supervision of AI and its impact on consumers. The workshop was held in April 2024.

EU Academy course: Introduction to Artificial Intelligence for Public Service Interoperability

This course introduces the fundamentals of AI for interoperable public services, covering the concept of Artificial Intelligence, and its components, the legal and policy contexts, methods to support interoperability through AI, challenges and example applications. The course is provided online.

Note: This box provides an indicative list of initiatives and programmes available to European supervisors. It is not a comprehensive list.
Source: EU Supervisory Digital Finance Academy (2025[103]), Creating a common European culture of digital finance supervision, https://eusdfa.eui.eu/; ECB (2025[104]), Supervision Innovators Conference 2025, https://www.bankingsupervision.europa.eu/press/conferences/html/20250924_Supervision_innovators_conference.en.html; UNESCO (2025[105]), Expanding Capacity Building for Competent Authorities on AI: National Trainings Across the EU, https://www.unesco.org/en/articles/expanding-capacity-building-competent-authorities-ai-national-trainings-across-eu; EIOPA (2024[106]), EIOPA Artificial Intelligence Supervision workshop, https://www.eiopa.europa.eu/media/events/eiopa-artificial-intelligence-supervision-workshop-2024-04-24_en EU Academy (2025[107]), Introduction to Artificial Intelligence for Public Service Interoperability, https://academy.europa.eu/courses/introduction-to-artificial-intelligence-for-public-service-interoperability.

Enhanced sharing of AI-driven SupTech tools at the EU level

SupTech tools leveraging AI can also play a valuable role in supporting supervisory tasks, bringing benefits such as automation, enhanced analytics and greater responsiveness to emerging risks. Deployment of

SupTech tools can also act as a signal that authorities encourage responsible applications of AI that enhance productivity and contribute to market stability.

SupTech tools are already being widely deployed by Italian financial authorities and by other national authorities at the EU level (see section 2.2.2). The Italian authorities are using and experimenting with a range of SupTech tools, as detailed in Table 2.2.

At the EU level, European supervisory authorities should consider strengthening co-ordinated efforts to enable the strategic pooling of expertise and institutional capacity, particularly when it comes to AI-based SupTech tools. The development or acquisition of SupTech applications involving AI can necessitate significant financial investment, robust technological infrastructure and specialised internal expertise (OECD, 2026[1]).

Joint engagements at the cross-border level for the development and sharing of SupTech solutions could be facilitated using common platforms and co-ordinated training initiatives. Establishing common curricula can also support convergence of the supervisory practices and approaches across EU member states, which can benefit market participants by increasing certainty and consistency of treatment across jurisdictions. Sharing of multi-jurisdictional SupTech tools helps to avoid duplication of efforts at the national level, while allowing national authorities to learn lessons and adopt best practices from other jurisdictions.

Sharing AI algorithms and libraries can be considered as a method to reach a productive state faster than pre-trained models or complete applications, particularly for validation purposes. Algorithms can be adapted to national technical, legal and linguistic requirements, avoiding delays linked to operationalising pre-trained models. This approach also reflects the need for rapid development cycles, given the extremely fast evolution of AI models and their integration into supervisory systems. An appropriate collaboration model should be identified for facilitating public-private partnerships in this domain, as explored in section 3.2.5.

Co-ordination and sharing of SupTech tools could be effectively achieved at EU level. Box 3.3 provides examples of existing initiatives led by the ECB and Bank for International Settlements (BIS) Innovation Hub Nordic Centre, deploying AI-based tools to support financial supervisory activities. The development and maintenance of tools like the ESMA Data Platform code repository may also be considered to promote innovation while ensuring any emergent risks remain manageable through appropriate governance and oversight frameworks. Strengthening supervisory capacity may also be supported by leveraging AI for supervisory stress testing and by using AI-based detection tools to assess the extent of automation involved in producing critical documentation.

Box 3.3. Examples of current SupTech tools and experiments in Europe

ECB SupTech Tools

The ECB is actively integrating digital technologies into its supervisory activities, including AI innovations. In 2020 the ECB established a division dedicated to technology and innovation within banking supervision, and in 2024, it issued guidance to encourage Joint Supervisory Teams to experiment with AI and identify practical tools to support day-to-day supervision. Prominent tools that feature AI, or support deployment of AI tools at the national level, include:

- **Virtual Lab**, a platform for SSM-wide digital collaboration, including code sharing, cloud computing and the development of generative AI capabilities.
- **Athena**, an NLP-based textual analysis platform available to all supervisory areas.
- **Agora**, a centralised data platform for all prudential data, available to all SSM users.
- **Navi**, a graph and network analytics platform with advanced visualisation capabilities.
- **Heimdall**, a machine-reading tool to support analysis of thousands of fit and proper applications.
- **Gabi**, a specialised model development platform for big data analytics.
- **Delphi**, which supports early detection of emerging risks for SSM banks and for the banking sector overall, by integrating market indicators and social media information into a single web-based dashboard using NLP.
- **Medusa**, providing a one-stop-shop for inspectors and supervisors to access relevant documents easily, using smart search and reporting functionalities as well as visualisations and statistical analyses.

The ECB is now working towards a “single supervisory cockpit”, providing an integrated view of indicators and unstructured insights – dashboards, documents, AI assistants – with explainable flags and transparent workflows.

Bank for International Settlements (BIS) Innovation Hub Nordic Centre – Project Aurora

In 2023, the BIS Innovation Hub Nordic Centre concluded phase 1 of a proof of concept focussed on combating money laundering through the application of privacy-enhancing technologies, ML and network analysis in collaborative analysis and learning (CAL) approaches (Project Aurora). The project demonstrated that using payments data in combination with privacy-enhancing technologies, ML models and network analysis can help anti-money-laundering authorities improve the detection of complex money laundering schemes. A second phase of Project Aurora will focus on PETs and their potential to support anti-money laundering through more effective and safe information-sharing.

Note: This box provides an indicative list of tools and experiments deployed across European authorities and Europe-based institutions. It is not a comprehensive list.

Source: Machado (2025[108]), Artificial intelligence and supervision: innovation with caution, https://www.bankingsupervision.europa.eu/press/speeches/date/2025/html/ssm.sp251014~5bc6e60334.en.html; McCaul (2024[109]), SSM digitalisation: from exploration to full-scale adoption, https://www.bankingsupervision.europa.eu/press/speeches/date/2024/html/ssm.sp240612_1~a3ace1ed8e.en.pdf; BIS Innovation Hub Nordic Centre (2025[110]), Project Aurora: the power of data, technology and collaboration to combat money laundering across institutions and borders, https://www.bis.org/about/bisih/topics/fmis/aurora.htm; BIS Innovation Hub Nordic Centre (2025[111]), Project Aurora Phase 2: Open call – case studies of the use of privacy enhancing technology in multi-party collaborative analytics to tackle money laundering, fraud and other financial crime, https://www.bis.org/about/bisih/topics/fmis/aurora/open_call.htm.

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Notes

[1] The OECD AI Catalogue of tools offers a repository of tools for explainability and transparency. These tools and metrics are designed to help AI actors develop and use trustworthy AI systems and applications that respect human rights and are fair, transparent, explainable, robust, secure and safe (OECD.AI, 2026[37]).

[2] The OECD AI Principles recommend, inter alia, shaping an enabling interoperable governance and policy environment for AI, encompassing the use of experimentation to provide a controlled environment, in which AI systems can be tested and scaled-up (OECD, 2024[40]).

[3] For example, Swiss Apertus is a fully open-source suit of LLMs, pretrained exclusively on openly available data and drawing on content in over 1 800 languages (Project Apertus, 2025[112]).

[4] Input by BdI to the Project Supervisory Questionnaire, as of 30 April 2025.

[5] Input by BdI to the project workshop held on 6 May 2025.

[6] Input by IVASS to Project Supervisory Questionnaire, as of 30 April 2025.

[7] Input by BdI to the Project Supervisory Questionnaire, as of 30 April 2025.

[8] Input by IVASS to Project Supervisory Questionnaire, as of 30 April 2025.

[9] Input by the Italian authorities to the project workshop held on 6 May 2025.

[10] Input by IVASS to the Project Supervisory Questionnaire, as of 30 April 2025.

[11] Input by CONSOB to the Project Supervisory Questionnaire, as of 30 April 2025.

[12] Input by IVASS to the Project Supervisory Questionnaire, as of 30 April 2025.

[13] Input by CONSOB to the Project Supervisory Questionnaire, as of 30 April 2025.

[14] Input by the Italian authorities to the Project Supervisory Questionnaire, as of 30 April 2025.

[15] Input by IVASS to Project Supervisory Questionnaire, as of 30 April 2025.

[16] The Hiroshima Code of Conduct and Reporting Framework is targeted at AI developers and deployers and could be a useful guidance from which to build on regarding transparency disclosures (OECD.AI, 2026[114]).

[17] i.e. those not classified as critical based on EU classification and regulatory framework.

[18] In several recent cases, AI-generated deepfakes, namely manipulated video and audio content featuring prominent Italian politicians was used to promote unauthorised crypto platforms and fictitious investment opportunities. Italian financial authorities (i.e. CONSOB) have significantly intensified the efforts to address the use of AI-generated deepfakes in fraudulent investment schemes.

[19] Including the G7 Cyber Expert Group's 2025 statement on AI and cybersecurity.,

[20] The OECD pas proposed a common framework for reporting AI incidents with 29 criteria across eight dimensions (OECD, 2025[117]), as well as definitions for AI incidents and related terms (OECD, 2024[115]).

[21] The Digital Omnibus proposal aims to consolidate and streamline rules in Data Governance Act, with the aim of enhancing the attractiveness of certain data sharing mechanisms (EU, 2025[36]).

[22] This section addresses the strategic rationale for joint evaluation; concrete sandbox eligibility and process changes are discussed on section 3.2.6.

[23] AI openness exists on a spectrum ranging from fully closed systems with restricted access to fully open models that permit unrestricted access, modification, and use (OECD, 2025[116]). This spectrum encompasses various system components, including data, code, and documentation. Recognising this range is essential for understanding the policy implications of different levels of openness across these

components. This report uses the term open-weight models to refer to foundation models with publicly available trained weights. These models can generate content and perform a variety of tasks across different applications. While licensing is an important aspect of the discussion surrounding the availability of AI models, this report focusses on open weights due to their growing relevance in policy discussions about the benefits and risks associated with these models.

[24] Apertus is a fully open-source suit of LLMs, pretrained exclusively on openly available data and drawing on content in over 1 800 languages (Project Apertus, 2025[112]). The Apertus LLMs were developed as part of the Swiss AI Initiative, led by École Polytechnique Fédérale de Lausanne and ETH Zurich (Swiss-AI, 2025[113]). It was developed by a team of cross-disciplinary Swiss researchers, engineers, and students, drawing also on infrastructure expertise of engineers at the Swiss National Supercomputing Centre (CSCS). The Apertus models reflect Swiss data protection laws, copyright laws and the transparency obligations under the EU AI Act.

[25] The OECD in co-operation with the European Commission – SG REFORM and Bank of Italy organised a roundtable event at the premises of BdI on 12 and 13 June 2025, constituting one of the project outputs. It convened experts from the Italian financial private sector, as well as market players with global reach. It also featured experts from national and regional regulatory and supervisory authorities that shared their best policies and practices in creating the conditions necessary for the broader safe deployment of AI in finance. The Roundtable was attended by over 50 participants including 21 speakers from 16 different authorities from EU and non-EU OECD Member countries, 17 finance industry representatives from Italy and other OECD Member countries, 2 academics and 2 global technology company representatives.

Annex A. Project background and survey methodology

Project overview

As the lead supervisory authority for the stability and efficiency of Italy's financial system, Banca d'Italia aims to strengthen its capacity to understand, analyse, and assess the impact of AI on financial markets and participants, with particular attention to underlying infrastructure and the overall value chain. To achieve this, the central bank requested support from the European Commission under the framework of Regulation (EU) 2021/240 establishing the Technical Support Instrument (TSI Regulation). Following approval of this request, the European Commission and the OECD collaborated on an 18-month project (the "Project") to help Banca d'Italia identify, understand, and address policy and supervisory implications of AI use across the financial market value chain, ultimately enhancing stability, resilience, and efficiency. The Project's outcomes are relevant for other Italian financial regulatory and supervisory authorities, including the Ministry of Economy and Finance (MEF), the Commissione Nazionale per le Società e la Borsa (CONSOB), the Istituto per la Vigilanza Sulle Assicurazioni (IVASS), and the Commissione di Vigilanza sui Fondi Pensione (COVIP), and has benefited from close collaboration with the above authorities.

The implementation of the Project was steered by the Project Advisory Group (AG), composed of representatives from Banca d'Italia (Giuseppe Grande, Luca Filidi, Mauro De Santis, Michela Marinello), the European Commission SG REFORM (Cristina Pacella, Giuseppe Sciascia) and the OECD.

This Project aligns closely with the European Commission's key policy objectives to foster digital innovation for consumer benefit and market efficiency, including AI-driven innovations, as articulated in the Digital Finance Package (2020) and the Artificial Intelligence Act (2024), and any ongoing discussions in the context of the Digital Omnibus proposal (2025). Innovation facilitators are also recognised as a priority by the European Supervisory Authorities (ESAs).

Context of the survey

From 15 April to 22 May 2025, the OECD conducted an online survey of Italian financial institutions using the LimeSurvey platform. The survey aimed to capture the scale and characteristics of AI deployment in Italian financial markets, including the number and type of projects and investments. It also assessed stakeholders' awareness of AI opportunities, the data and monitoring practices currently in use, co-operation between incumbents and FinTechs, and perceived opportunities and barriers to adoption. This survey was, as regards this Project, the most encompassing tool in mapping the status of AI in Italian financial markets.

The survey was divided into five sections. The introduction gathered institutional details such as sector, location and the presence of AI data science teams. The second section focussed on current AI uses, including use cases in production or development, investment levels, reliance on third-party providers, and technical aspects such as general-purpose models and open-source components. Respondents also reported on training data, explainability methods, autonomy levels and observed benefits. The third section

explored expected future uses over the next three years. The fourth examined governance frameworks, accountability lines, safeguards against unintended AI activity and cyber resilience measures. The final section addressed regulatory and non-regulatory constraints, training initiatives and the role of Open Finance frameworks in enabling proprietary AI models.

Insights from the OECD industry survey build on previous data collection initiatives by Italian authorities, including the BdI FinTech survey (Banca d'Italia, 2025[1]), CONSOB's study on AI in asset and wealth management (CONSOB, 2022[2]), IVASS's survey on machine learning in insurance (IVASS, 2023[3]) and the CIPA-ABI survey on IT in banking (Convenzione Interbancaria Per l'Automazione, 2023[4]). The OECD survey adds value by covering the entire financial sector and providing granular insights into issues particularly relevant to financial market participants.

The OECD survey received 450 responses, ensuring strong representation across all financial sectors. This coverage is broader than previous surveys, which focussed on specific segments such as banking or insurance. Findings largely align with earlier studies: AI is widely used in operational processes like document management and compliance (Convenzione Interbancaria Per l'Automazione, 2023[4]). However, its deployment in core financial market activities remains limited, though expected to grow. The OECD survey also offers detailed insights into GPAI use, investment patterns, governance structures and reliance on third-party vendors, complementing previous findings and enriching the understanding of systemic constraints to AI adoption.

Profiles of survey respondents

A total of 450 responses were received, representing a 49% response rate, calculated in relation to the total number of supervised financial sector entities (including foreign firms with activity in Italy supervised by Banca d'Italia). Some questions were mandatory and answered by all participants, while others were optional and received fewer responses.[1]

Survey respondents provide strong representation across the Italian financial sector. The top five represented subsectors are asset managers (100 respondents), banks (99), credit or securitisation related business (69), insurance and reinsurance (44) and pension fund (42). Other subsectors are mutual banks (25), electronic money and payment institutions (16), investment advisors and wealth managers (10), securities investment firms (9), crowdfunding services providers (8) and financial market infrastructures (4). The "Other" category, with 24 respondents, includes fiduciary companies, other payment institutions and one broker-dealer. Mutual funds, Alternative Investment Markets and other funds were grouped under "Asset manager".

When analyses and insights are focussed on financial market participants, these consider respondents from the following sectors only: investment advisory, asset management, wealth management, securities investment firms, broker-dealers, exchanges, multilateral trading facilities, central counterparties and central securities depositories.

Regarding company size, most sectors include a mix of micro, small, medium and large entities. Banks and insurers are mainly large or medium-sized, while asset managers, investment advisors, securities firms and pension funds are predominantly small or micro companies. All FMIs are either large or medium-sized.

Categorisation of respondents by sector

Respondents were asked to specify the sectors of activity in which they operate. Where a respondent has more than one sector of activity, they were asked to specify which of these is their main sector of activity. Accordingly, this report categorises respondents according to the main sector of activity.

The main sector of activity for some respondents has been manually reclassified to better reflect the sector in which they operate and/or the services they provide. This includes:

- Two respondents that self-identified as "Financial technology/FinTech". These have instead been attributed to the financial sector in which they are most active.[2]
- Two respondents that self-identified as operating in the Factoring, Leasing and Loans sectors, which have been moved to Credit and Securitization category according to BdI instructions.
- Sixteen respondents that self-identified as "Other". These respondents stated that they operate under Article 106 of the TUB by doing financial intermediation,[3] thus being relocated to the Credit and Securitization category as per BdI's instructions.

Categorisation of AI use cases across business macro-areas

The survey includes questions relating to the use of AI for various purposes. Question 6.1 asks respondents "For what purposes are you currently using AI?". Question 17.1 asks respondents "For what purposes are you planning to use AI in the next 3 years?". For both questions, a multi-choice list of 52 different purposes was provided. Two follow-up questions (6.2 and 17.2) asked respondents to confirm, for each of the above purposes, whether they use or plan to use AI models that are:

- general-purpose
- provided by third parties
- deployed by, and/or implemented in collaboration with third parties
- internal (i.e. not client-facing).

Questions 6.2 and 17.2 allowed respondents to select only from among the purposes which they had previously selected in questions 6.1 and 17.1.

For ease of reading, in this report the purposes are classified into 23 "business macro-areas". Table A A.1 lists the purposes, the macro-areas, and how purposes are categorized by macro-area.

Table A A.1. Categorisation of AI "purposes" by "business macro-area"

Business macro-areas used in this report	Purposes listed in the survey	Categorisation of purposes by macro-area
Front office (value creation): • New product development • Targeted Marketing / Sales (customer segmentation) • Asset allocation • Customer onboarding / authentication • Customer support • Trading strategies, execution Middle/back office (productivity enhancement): • Compliance and Reporting • Data analytics (information point)	– *AML/CFT controls (identification/ transaction monitoring/ reporting)* – *Fraud detection/ prevention/ surveillance* – *Risk modelling and management* – *Early warning systems* – *Data management* (e.g. *quality improvement)* – *Coding/ software development* – *Synthetic data generation* – *Translation* – *Summarisation* – *Text content generation* – *Internal GPTs* – *Capital/ Liquidity management* – *Cyber security (incl. network)* – *Internal process optimisation / productivity support* – *Compliance, internal audit and regulatory reporting* – *HR management* – *IR/Communications*	Macro-areas shown with bullets, purposes shown in italics with dash. • New product development – *New product development* • Targeted Marketing / Sales (customer segmentation) – *Marketing and sales* – *IR/Communications* – *Client profiling/ segmentation* • Asset allocation – *Asset management and Investment portfolio management* – *Investment research* – *Robo-advice* – *Financial advice (incl. budgeting, retirement planning etc.)* – *Market analysis/ insights* • Customer onboarding / authentication – *Client onboarding/ KYC* • Customer support

Business macro-areas used in this report	Purposes listed in the survey	Categorisation of purposes by macro-area
• Risk modelling and management • Fraud detection and prevention • AML/ CFT • ESG data processing and analytics • Synthetic data generation • Translation • Coding • HR management • Trading P&L, reconciliations • Post-trade processing <u>Sector-specific and other</u> • Credit underwriting and pricing • Insurance underwriting, pricing and distribution • Insurance policy and claims management • Collection of pension contributions • Other	– *Management of client agreements* – *Marketing and sales* – *Client profiling/ segmentation* – *Customer service (incl. chatbots) / client communication* – *Client onboarding/ KYC* – *New product development* – *Investment research* – *Market analysis/ insights* – *Sentiment analysis* – *Predictive analytics/ forecasting* – *Financial advice (incl. budgeting, retirement planning etc.)* – *Robo-advice* – *Market-making* – *Auction strategies/pricing* – *Security underwriting/placement* – *IPOs/SPOs* – *Credit underwriting (scoring/creditworthiness assessment) and pricing* – *Trading strategies* – *ESG/ sustainable investing modelling/ analytics* – *Pattern recognition* – *Hedging* – *Trading execution (algorithmic trading)* – *High Frequency Trading* – *Market conduct monitoring* (e.g. *Market Abuse Detection)* – *Post-trade processing* – *Collateral securities haircut* – *Clearing* – *Custody* – *Payments/settlement execution* – *Payments monitoring/verification* – *Asset management and Investment portfolio management* – *Insurance underwriting (risk assessment) and pricing* – *Insurance distribution* – *Insurance policy management (after underwriting and before claims)* – *Claims management* – *Collection of pension contributions* – *Other*	– *Customer service (incl. chatbots) / client communication* • Trading strategies, execution – *Security underwriting/placement* – *IPOs/SPOs* – *Trading strategies* – *Hedging* – *Trading execution (algorithmic trading)* – *Predictive analytics/ forecasting* – *Auction strategies/pricing* – *Market-making* – *High Frequency Trading* • Compliance and Reporting – *Management of client agreements* – *Compliance, internal audit and regulatory reporting* • Data analytics and output generation – *Data management* (e.g. *quality improvement)* – *Summarisation* – *Text content generation* – *Internal GPTs* – *Sentiment analysis* – *Internal process optimisation / productivity support* – *Pattern recognition* • Risk modelling and management – *Risk modelling and management* – *Early warning systems* • Fraud detection and prevention – *Cyber security (incl. network)* – *Fraud detection/ prevention/ surveillance* – *Payments monitoring/verification* – *Market conduct monitoring* (e.g. *Market Abuse Detection)* • AML/ CFT – *AML/CFT controls (identification/ transaction monitoring/ reporting)* • ESG data processing and analytics – *ESG/ sustainable investing modelling/ analytics* • Synthetic data generation – *Synthetic data generation* • Translation – *Translation* • Coding – *Coding/ software development* • HR management – *HR management* • Trading P&L, reconciliations – *Clearing* – *Collateral securities haircut* – *Capital/ Liquidity management* • Post-trade processing – *Post-trade processing* – *Custody* – *Payments/settlement execution* • Credit underwriting and pricing – *Credit underwriting (scoring/creditworthiness*

Business macro-areas used in this report	Purposes listed in the survey	Categorisation of purposes by macro-area
		assessment) and pricing • Insurance underwriting, pricing and distribution – *Insurance underwriting (risk assessment) and pricing* – *Insurance distribution* • Insurance policy and claims management – *Insurance policy management (after underwriting and before claims)* – *Claims management* • Collection of pension contributions – *Collection of pension contributions* • Other – *Other*

Table A A.2. Categorisation of regulatory constraints to AI adoption

All regulatory constraints listed in the survey	Categories introduced in the charts
– *Lack of regulatory clarity* – *Definitional issues around what is considered an AI model* – *Lack of supervisory guidance* – *insufficient regulation* – *Possible ex-post regulatory intervention* (e.g. *enforcement)* – *Conflicts between existing sectorial rules/regulatory requirements* – *Conflicts between existing sectorial and non-sectorial rules/regulatory requirements* – *Lack of regulatory alignment between different jurisdictions* – *Insufficient regulation* – *Reporting obligations* – *Cost of regulatory compliance* – *Increased reporting requirements associated with the use of AI* – *Data protection* – *Copyright/IP* – *Prudential rules* – *Risk management frameworks* – *Rules around model risk management* – *Model/ data drifting* – *Rules against bias, discrimination, unfair outcomes* – *Rules around governance* – *Fiduciary duty* – *Rules requiring explainability* – *Transparency requirements* – *Rules on operational resiliency* – *Cyber-resilience rules* – *Third party risk management frameworks*	Categories in the charts are shown with bullets, constraints in the survey are shown with dash. • Concerns related to clarity and alignment of regulations – *Lack of regulatory clarity* – *Definitional issues around what is considered an AI model* – *Lack of supervisory guidance* – *insufficient regulation* – *Possible ex-post regulatory intervention* (e.g. *enforcement)* – *Conflicts between existing sectorial rules/regulatory requirements* – *Conflicts between existing sectorial and non-sectorial rules/regulatory requirements* – *Lack of regulatory alignment between different jurisdictions* – *Insufficient regulation* • Compliance and reporting – *Reporting obligations* – *Cost of regulatory compliance* – *Increased reporting requirements associated with the use of AI* • Data & IP rules – *Data protection* – *Copyright/IP* • Prudential and risk management – *Prudential rules* – *Risk management frameworks* • Model-related rules – *Rules around model risk management* – *Model/ data drifting* • Governance, fairness and market conduct – *Rules against bias, discrimination, unfair outcomes* – *Rules around governance* – *Fiduciary duty* • Explainability and transparency – *Rules requiring explainability* – *Transparency requirements* • Operational and third party-related resilience – *Rules on operational resiliency* – *Cyber-resilience rules* – *Third party risk management frameworks*

Table A A.3. Categorisation of non-regulatory constraints to AI adoption

All non-regulatory constraints listed in the survey	Categories introduced in the charts
– *Shortcoming in internal data governance processes* – *Data format* – *Lack of data management processes* – *Access to data* – *Data quality (accuracy, consistency)* – *Cost of AI deployment (vendor costs)* – *Cost of data acquisition* – *Cost of/ access to AI-related hardware* – *Cost of AI development (in-house)* – *Ethical considerations* – *Fiduciary duty* – *Unclear liability risks for damage resulting from non-proprietary* – *Legal liability (related to data breaches/IP and copyright/harm to clients or business)* – *IP/ copyright* – *Corporate culture* – *Competing internal priorities* – *Change management* – *Insufficient skills within firm* – *Insufficient senior management/Board of Director skills/understanding* – *Lack of internal governance processes for AI deployment* – *Lack of use case* – *Talent acquisition* – *Legacy infrastructure incompatibility/ difficulties in integration of AI systems* – *Risks to business continuity* – *Risk of dependency on third parties* – *Risk of overreliance on AI systems* – *Increased cyber-risk* – *Reputational damage risks* – *Deepfakes* – *Questionable reliability of model output* – *Limited/lack of model explainability* – *Hallucinations* – *Fraud/ risk of market manipulation* – *Potential for biased/harmful/subpar outcome for clients* – *Accountability for third party developed model* – *Lack of understanding of third-party models compared to in-house developed models* – *Governance issues related to third party service provision* – *Lack of transparency of datasets used in third party models* – *Limited transparency related to third party models*	• Data-related constraints – *Shortcoming in internal data governance processes* – *Data format* – *Lack of data management processes* – *Access to data* – *Data quality (accuracy, consistency)* • Cost-related constraints – *Cost of AI deployment (vendor costs)* – *Cost of data acquisition* – *Cost of/ access to AI-related hardware* – *Cost of AI development (in-house)* • Ethical, compliance and liability constraints – *Ethical considerations* – *Fiduciary duty* – *Unclear liability risks for damage resulting from non-proprietary AI system deployment* – *Legal liability (related to data breaches/IP and copyright/harm to clients or business)* – *IP/ copyright* • Organisational, skills and cultural constraints – *Corporate culture* – *Competing internal priorities* – *Change management* – *Insufficient skills within firm* – *Insufficient senior management/Board of Director skills/understanding* – *Lack of internal governance processes for AI deployment* – *Lack of use case* – *Talent acquisition* – *Legacy infrastructure incompatibility/ difficulties in integration of AI systems* • Operational & business risks – *Risks to business continuity* – *Risk of dependency on third parties* – *Risk of overreliance on AI systems* – *Increased cyber-risk* – *Reputational damage risks* • Model reliability limitations – *Deepfakes* – *Questionable reliability of model output* – *Limited/lack of model explainability* – *Hallucinations* • Market integrity & consumer/ investor protection – *Fraud/ risk of market manipulation* – *Potential for biased/harmful/subpar outcome for clients* • Third-party model-related constraints – *Accountability for third party developed model* – *Lack of understanding of third-party models compared to in-house developed models* – *Governance issues related to third party service provision* – *Lack of transparency of datasets used in third party models* – *Limited transparency related to third party models*

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Notes

[1] The OECD survey was shared with over 900 institutions across the Italian financial sector and accessed by 731 institutions, receiving 450 responses.

[2] Based on the financial services and activities disclosed on the company websites.

[3] Respondents that stated they're licensed and/or operate under Article 106, perform financial intermediation or self-identify as *Confidi*, a consortium that serves as warrantor for credit lines.

Annex B. Firms participating in bilateral consultations

Table A B.1. Complete list of participating firms in bilateral consultations

Generali	Insurance	16 June 2025
Fondo Fonte	Pensions	3 July 2025
Enel Reinsurance	Reinsurance	3 July 2025
Net Insurance	Insurance	4 July 2025
Intesa Sanpaolo Pension Fund	Pensions	9 July 2025
European Stability Board	Macro-prudential oversight body of the EU	10 July 2025
Cassa Depositi e Prestiti	Bank	10 July 2025
Danske Bank	Bank	10 July 2025
ING	Bank	10 July 2025
Helaba	Bank	10 July 2025
Market Axess	Electronic trading platform	10 July 2025
Ghana Stock Exchange	Stock exchange	10 July 2025
Luxembourg Stock Exchange	Stock exchange	10 July 2025
ICM	Fund manager	10 July 2025
Euroclear	Financial market infrastructure	10 July 2025
A&O Shearman	Multinational law firm	10 July 2025
Axa Investment Managers	Investment manager	10 July 2025
Inveztor	Software provider	10 July 2025
ANBIMA	Self-Regulatory Organisation	10 July 2025
HSBC	Bank	10 July 2025
Lombard Odier	Bank	10 July 2025
Monte Titoli S.p.A. - Euronext Securities Milan	Stock exchange and FMI	28 October 2025
Euronext Clearing - Cassa di Compensazione e Garanzia S.p.A.	Stock exchange and FMI	28 October 2025
Euronext Milan - Borsa Italiana S.p.A.	Stock exchange and FMI	28 October 2025

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The use of AI is increasingly widespread in the Italian financial sector, with experimentation and adoption growing fast, particularly in Generative AI. The benefits span many different types of activity within the sector. However, a range of regulatory and non-regulatory constraints may hinder broader AI adoption. Drawing in part on an OECD survey on AI innovation in the Italian financial sector, this report analyses the current landscape and outlines policy considerations aimed at fostering the safe and responsible development and deployment of AI, in accordance with the European regulatory framework.

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