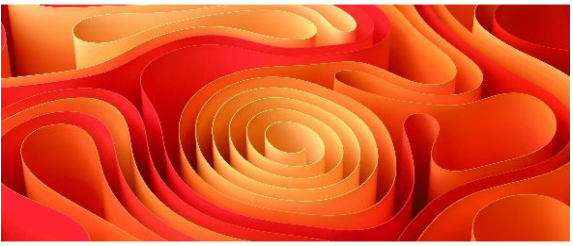
Regulatory/Supervisory Pills | N.21 February 2026



TOPICS:

Technology

SOURCE:

Organisation for Economic Co-operation and Development

OECD: Supervision of Artificial Intelligence in Finance

- The paper analyses how financial supervisors oversee the growing use of artificial intelligence (AI), including generative and agentic AI, within financial markets. It emphasises that, across OECD jurisdictions, **existing financial regulations generally remain applicable to AI-driven activities**, reflecting the long-standing principles of **technology neutrality and risk-based supervision**. The paper finds that regulatory gaps are not the primary concern; rather, challenges arise at the **practical supervisory level**, where existing rules must be interpreted and operationalised in the context of increasingly complex and opaque AI systems.
- The report identifies several core supervisory challenges. These include difficulties in **model risk management and validation**, particularly where advanced AI models lack explainability or evolve dynamically over time. Supervisors also face challenges related to **transparency, fairness, and accountability**, especially when AI systems influence consumer-facing decisions such as credit scoring or insurance pricing. Data governance and quality, limitations in supervisory access to AI models developed by third-party vendors, and growing **dependencies on non-supervised technology providers** further complicate oversight and risk monitoring.
- The paper highlights that **supervisory challenges often mirror compliance challenges** faced by financial institutions. Uncertainty around how principles-based requirements - such as human oversight, explainability, or governance - should apply to advanced AI models can hinder both effective supervision and responsible adoption. The overlay of cross-sectoral AI regulation in some jurisdictions, alongside pre-existing sector-specific financial rules, may increase regulatory complexity unless carefully coordinated.
- To address these issues, the OECD outlines supervisory practices aimed at balancing innovation with financial stability and consumer protection. These include **carefully calibrated supervisory guidance**, enhanced **public–private engagement**, the use of **regulatory sandboxes and AI model testing**, and investment in supervisory capacity, including AI-enabled supervisory technology (SupTech).