Association Européenne des Institutions Paritaires

European Association of Paritarian Institutions

Artificial Intelligence (AI)

AEIP reply to targeted consultation on AI in the financial sector

September 2024

European Association of Paritarian Institutions (AEIP)

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Part 1: GENERAL QUESTIONS ON AI APPLICATIONS IN FINANCIAL SERVICES

1.1. Use of AI

Question 1. Are you using or planning to use AI systems?

Yes, we are already using AI systems

Not yet, but we plan to use AI systems within the next 2 years

No, we are not using it and we don't plan to use AI systems within the next 2 years

Don't know / no opinion / **not applicable**

Question 2. What are the positive things you encounter when using AI?

Please explain and give examples when possible:

Not applicable.

Question 3. What are the negative things you encounter when using AI?

Please explain and give examples when possible:

Not applicable.

Question 4. Will you be deploying AI for new or additional processes within your organisation?

Yes

No

Don't know / no opinion / **not applicable**

Question 5. Are you developing or planning to develop in-house AI applications?

Yes

No

Don't know / no opinion / not applicable

In general, it can be said that the pension sector is not a frontrunner when it comes to developing AI applications. Applications in use mostly use traditional AI, while applications using Generative AI to analyze unstructured data such as video and audio are mostly still under development.

For the most part, pension providers observe AI developments elsewhere and use them as building blocks to deploy their own AI applications, only developing internally what is needed to complete a functionality.

Question 6. Which tools are you using to develop your AI applications?

Examples: machine learning, neural networks, natural language processing, large language models, etc.

Please explain and give examples when possible:

Not applicable.

1.2. Benefits of using AI applications in financial services

Question 7. Please score the following benefits from most significant (10) to least significant (1):

	To select 1 – 10	Don't know - No opinion - Not applicable
Fraud detection: AI algorithms can analyse large amounts of data to detect patterns and anomalies that may indicate fraudulent activity, helping to reduce financial losses for businesses and customers.	7	
Risk management: AI can analyse and predict market trends, assess credit risks, and identify potential investment opportunities, helping financial institutions make more informed decisions and manage risks more effectively.	6	
Automation of routine tasks: AI can automate repetitive tasks such as data entry, transaction processing, and document verification, freeing up time for employees to focus on more complex and strategic activities.	8	
Cost savings: by automating processes and improving efficiency, AI can help financial institutions reduce operational costs.	6	
Personalised financial advice: AI can analyse customer data to provide personalised financial advice and recommendations, helping customers make better financial decisions and improve their financial well-being.		Not applicable
Compliance and regulatory support: AI can help financial institutions stay compliant with regulations by analysing and interpreting complex regulatory requirements and monitoring transactions for suspicious activities.	5	
Enhanced decision-making: AI can analyse large amounts of data and provide insights that can help financial institutions make better investment decisions, assess credit risks, and optimise their operations.	5	
Improved security: AI can enhance security measures by identifying potential security threats, detecting unusual patterns of behaviour, and providing real-time alerts to prevent security breaches.	3	
Streamlined processes: AI can streamline various financial processes, such as loan underwriting, account opening, and claims processing, leading to faster and more efficient services for customers.	4	
Improved customer service: AI can be used to provide personalised and efficient customer service, such as chatbots that can answer customer queries and provide assistance 24/7.	8	

Question 8. What are the main benefits/advantages you see in the development of your AI applications? Please explain and give examples when possible:

Not applicable.

1.3. Challenges and risks when using AI applications in financial services

Question 9. Please score the following challenges from most significant (10) to least significant (1):

	To select 1 – 10	Don't know - No opinion -

		Not applicable
Lack of access to the required data, in general.		No opinion
Lack of access to the data in an appropriate digital format.		No opinion
Lack of access to appropriate data processing technology, e.g. cloud computing.		No opinion
Data privacy: it is crucial to ensure that sensitive financial information remains confidential.		No opinion
Lack of trust in relation to performance levels/ security aspects/ certified solutions/ reliability of the technology.		No opinion
Regulatory compliance with financial regulation: financial services are heavily regulated and not all types of AI applications are in line with requirements under these regulations.		No opinion
Innovation: the ability to leverage on combining AI with other technologies to enhance its potential and generate new services?		No opinion
Transparency and explainability: AI algorithms can be complex and opaque. It can be difficult for humans to understand how AI arrives at certain conclusions, which can create issues of trust and accountability.		No opinion
Bias and discrimination: AI models are trained using data, and if the data is biased, the AI model can also be biased, leading to unfair outcomes.		No opinion
Reputational risk from undesirable AI behavior or output.		No opinion
Liability risks: legal uncertainty on who bears the liability in case of damages generated by the malfunctioning of the AI applications.		No opinion
Skills gap: the development of AI requires specific tech skills, and there is a shortage of such skills.		No opinion
Dependability: as financial institutions rely more and more on AI; the dependability of these systems becomes paramount. Any malfunction or error (e.g. in risk management) can lead to significant financial losses.		No opinion
Job displacement: the use of AI can potentially automate certain roles in the financial sector leading to job displacement.		No opinion
Cybersecurity: AI systems could be targeted by cybercriminals, leading to potential data breaches or manipulation of AI systems.		No opinion
Integration challenges: integrating AI technologies with existing systems and processes can be complex and expensive.		No opinion
Additional cost: the deployment and use of AI requires up-front investment and ongoing resources (acquiring or developing applications, keeping them up to date, training/skills).		No opinion

Question 10. What are the main difficulties/obstacles you are facing in the development of your AI applications?

Please explain and give examples when possible:

Not applicable.

Question 11. Please rank the potential negative impact that widespread use of AI can have on the following risks, 8 being the highest risk:

	To select 1 – 8
Operational risks	-
Market risks	-
Liquidity risks	-
Financial stability risks	-
Market integrity risks	-
Investor protection risk	-
Consumer protection risk	-
Reputational risk	-

Please explain your answer to question 11 and give examples when possible:

-

Question 12. AI may affect the type and degree of dependencies in financial markets in certain circumstances, especially where a high number of financial entities rely on a relatively small number of third-party providers of AI systems.
Do you see a risk of market concentration and/or herding behavior in AI used for financial services?
Yes
No
Don't know / no opinion / not applicable

1.4. AI and compliance burden

Question 13. Can AI help to reduce the reporting burden?
Yes
No
Don't know / no opinion / not applicable

Question 14. Do you think AI can facilitate compliance with multiple regulatory standards across the EU and thus facilitate market integration or regulatory compliance?
For example, would you consider it feasible to use AI for converting accounting and financial statements developed under one standard (e.g. local GAAP) to another standard (e.g. IFRS)?
Yes
No
Don't know / **no opinion** / not applicable
Please explain and elaborate on your answer to question 14 and give examples when possible:

-

1.5. Data access

Question 15. In order to develop AI applications, do you need access to external datasets that you currently don't have access to?

Yes
No
Don't know / no opinion / **not applicable**

Please explain your answer to question 15:

-

Question 16. Which datasets would you need to develop meaningful AI applications and for which purpose/use case?

Please explain and give examples when possible:

-

Question 17. Do you face hurdles in getting access to the data you need to develop AI applications in financial services?

Yes
No
Don't know / no opinion / **not applicable**

Question 18. Are you familiar with the EU Data Hub, a data sharing tool for supervisors and financial companies?

Yes
No
Don't know / no opinion / not applicable

Question 19. Should public policy measures (e.g. legislative or non-legislative) encourage the exchange of data between market participants, which can be used to train AI systems for use cases in finance?

Yes
No
Don't know / **no opinion** / not applicable

1.6. Business model

Question 20. Has AI changed your business model?

Yes
No
Don't know / no opinion / **not applicable**

Question 21. Which parts of the value chain are being improved with AI?

Please explain and give examples when possible:

In general, it can be said that the pension sector is not a frontrunner when it comes to developing AI applications. Applications in use mostly use traditional AI, while applications using Generative AI to analyze unstructured data such as video and audio are mostly still under development.

AI is used foremost in the field of pension administration, where there are applications in communication with members and beneficiaries, contact with employers that are enrolled in the pension scheme, and automation of administrative processes.

AI applications in communication help to make pension communication easier to understand, by providing answers to basic questions in the language of choice and in and personalized to the level of understanding of the member or beneficiary. Of course, when it comes to choices and choice guiding, a human takes over.

Insights deducted from business processes can create efficiencies through automation and operational risk management. More advanced insights from available data can help improve data quality and foster more proactive actions, to make sure that for example employers enroll their employees in the pension fund and pension premiums are paid on time. Of course, such AI applications are used in accordance with the GDPR and a framework for controlled and responsible use.

In this domain of pension administration, AI functions are very similar to functions in other sectors within and beyond the financial sector. For the most part, pension providers observe AI developments elsewhere and use them as building blocks to deploy their own AI applications, only developing internally what is needed to complete a functionality.

In the domain of asset management, AI applications are being developed to use big amounts of data to provide insights that are relevant for investment decisions. Generative AI introduces the possibility to learn from unstructured data. Results include insights into risks, returns and ESG impact of investments. It is relevant to note that such systems are not fully autonomous, and humans will still make the investment decisions.

With regards to algorithmic trading, the introduction of AI makes risk identification, monitoring and control of model drift and data drift extra important. Asset managers test models extensively and build in controls to act upon potential drift. Of course, algorithmic trading is already regulated under MiFID II.

Question 22. Are there functions that cannot/would not be improved by AI?

Yes

No

Don't know / **no opinion** / not applicable

1.7. General purpose AI

For the purpose of this targeted consultation, respondents should consider general purpose AI as defined in the AI Act (article 3(63)), i.e. meaning any "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 placed on the market".

Question 23. Do you use general purpose AI models, including generative AI, and their respective reference architectures?

Yes

Not yet, but we plan to use general purpose AI models within the next 2 years

No

Don't know / no opinion / **not applicable**

Question 24. How do you plan to operationalise and adopt general purpose AI at scale?

Please explain and give examples when possible:

Not applicable.

Question 25. How does the increasing availability of general-purpose AI models, including generative AI applications, impact the need to access new datasets?

Please explain and give examples when possible:

- To increase efficiency and provide high-quality outcomes.
- Increase learning and analysing more data to reduce the chance of an error and reduce bias.
- Trust to members and beneficiaries, regulatory compliance and ethical/unbiased sources.
- Imperative to ensure that it takes into consideration the unique characteristics of pension funds and their special functions.
- Adapting to new technologies and learning.

Question 26. Compared to traditional AI systems such as supervised machine learning systems, what additional opportunities and risks are brought by general purpose AI models?

Please explain and give examples when possible:

Opportunities

- Information point (like today's search engines) and as a way to 'humanise' and simplify internal and external data analysis and reporting on the basis of the pension fund's data.
- Used for individualised communication at and enhanced member/beneficiary support.
- The use of AI-based anomaly detection tools can improve both anti-money laundering processes and fraud detection.
- AI can assist automated onboarding and compliance functions of members and beneficiaries. GenAI can further enhance these uses by producing reporting and other output required for compliance purposes, on the basis of the pension fund's data.
- Most of the potential of GenAI is expected to be found at the front-end of financial service provision, given the potential benefits for improved, personalised member and beneficiary experience. GenAI enhances these with a human-like conversational element that often makes it difficult to distinguish whether the interlocutor is a machine or a human.

- GenAI can also allow for segmentation at the individual level, allowing pension funds to enhance their robo-advice produced in a fast, efficient manner, and delivered in a human-like conversational manner.
- GenAI can be used as an assistant dedicated to coders for the development of software applications or other models. GenAI applications can generate new code, resolve bugs in scripts or provide solutions to coding errors, while they can also perform testing of given code.
- GenAI systems can generate synthetic data at scale, and in a customised manner tailored to specific market scenarios. The most pertinent use case relevant to financial market is the creation of simulated financial market data for scenario analysis, as well as the creation of datasets for testing, validation and calibration of AI-based models in finance.

Risks

- Lack of explainability.
- Data related risks.
- Model robustness and reliability of output.
- Governance related risks lack of accountability and transparency.
- Other risks such as costs, knowledge and skills to run such programs.
- Competition.
- Financial stability and Governance.

Question 27. In which areas of the financial services value chain do you think general purpose AI could have a greater potential in the short, medium and long term?
Please explain and give examples when possible:

- Fraud detection.
- Communication/information to members and beneficiaries.
- Reporting.
- Administrative operations.
- Investment strategy.

1.8. AI Governance in relation to non-high risk use cases, and which are not subject to specific requirements under the AI Act

Question 28. Have you developed, or are you planning to develop an AI strategy or other relevant guidelines within your organisation for the use of AI systems?

Yes

No

Don't know / no opinion / **not applicable**

Question 29. Have you put in place or are you planning to put in place governance and risk management measures to ensure a responsible and trustworthy use of AI within your organisation?

Yes

No

Don't know / no opinion / not applicable

The AI Act provides a good basis for developing policy frameworks for the application of AI. It is useful that applications with 'unacceptable' and 'high' risk are defined and come with specific provisions. We appreciate the risk-based approach that is taken in the Act.

The AI Act does not contain high-risk applications that are specific to the pension sector. Pension providers must of course nevertheless assess and mitigate the risks of their AI applications.

We support the AI Act's approach of giving freedom to sectors to establish guidelines for the responsible application of AI. This stakeholder-driven approach is important given the rapid market developments and diversity in AI applications across sectors, even within the financial sector.

We note that because of divergent labor, social and tax law, the pension sector is very much organized at the national level. National pension sector guidelines for the application of AI can play an important role in creating a framework for controlled and responsible use of AI in pension provision.

1.9. Forecasts

Question 30. What are the main evolutions to be expected in AI in finance?

Please explain and give examples when possible:

No opinion.

Question 31. Which financial services do you expect to be the most impacted by AI?

Please explain and give examples when possible:

Most impacted

Insurance

- Underwriting
- Pricing
- Sales and distribution
- Customer service
- Loss prevention
- Claims management
- Fraud detection

Asset manager

- Investment strategies and portfolio management
- Operations and regulatory compliance
- Risk management and fraud detection
- Client service and engagement
- Product development
- Innovation

Banking

- Client service and engagement
- Risk management and fraud detection
- Operations and regulatory compliance
- Product development
- Innovation
- Financial inclusion

Less impacted
Pension fund industry

- Investment strategies and portfolio management
- Members and beneficiaries experience and communication
- Operations and regulatory compliance
- Reporting

Question 32. Do you have any additional information to share?

Please explain and give examples when possible:

Based on our experience with the responsible and controlled application of AI in pension provision, we provide the following points of interest for possible further European initiative on the application of AI in the financial sector:

- AI applications in the pension sector predominantly pertain to functions similar to those of other sectors, such as contact with members, beneficiaries and employers, and automation of administrative processes. Any legislative initiative on the application of AI in the financial sector should focus on sector-specific functions, such as individual risk assessment, pricing and asset management.
- In recent years, EU financial regulation has often taken a horizontal approach. Such an approach does not sufficiently safeguard the specificities of pension administration. It also risks the introduction of controls for the entire financial sector that might only be relevant for a subsection of the financial sector, creating unnecessary legislative burdens. The risks of AI systems are best assessed in their specific context. To tailor obligations as much as possible to pension providers, any legislation of AI in the financial sector should take the form of omnibus legislation, where relevant requirements are tailored for institutions for occupational retirement provision (IORPs) in the IORP II Directive.
- A principle-based, risk-based and stakeholder-driven approach is the best way to get effective controls that are relevant for pension provision and for acknowledging their collective nature and social mission. Such a regulatory approach can consider the unique characteristics and operational aspects of paritarian social protection institutions. We stress this, as it is crucial that these institutions, which play a vital role in social protection, are not inadvertently disadvantaged or burdened by regulations that do not fully consider their specific contexts and needs, i.e. through horizontal rules.
- See also our input in Question Insurance 1 under Part 2.

Part 2: QUESTIONS RELATED TO SPECIFIC USE CASES IN FINANCIAL SERVICVES

Question 34. In which sector(s) are you using AI?

Insurance and pensions

In insurance, possible AI use cases range from insurance pricing and underwriting to advice, compliance, fraud detection/AML and customer service. Depending on the specific use cases, relevant legislation would include:

- the AI Act (for the identified high-risk use-cases such as life and health insurance risk assessment and pricing in relation to natural persons)
- the Insurance Intermediation Directive (IDD) (for example robo-advice)
- Solvency II and institutions for occupational retirement provisions (IORPs) (for example provisions on risk management in relation to insurance risk assessment)
- and the Anti-Money Laundering Directive (AMLD) (for example AML use cases)

Question INSURANCE 1. For which use case(s) are you using/considering using AI?
Examples: risk management, insurance pricing and underwriting, setting capital requirements/technical provisions, robo-advice, regulatory compliance, sustainable finance, fraud detection, AML, customer service, sales and distribution, claims management, etc.
Please explain and give examples when possible:

In view of the discussion and potential further regulation of AI in the financial sector it is imperative for policy makers to realise the unique characteristics and differences of paritarian pension funds/institutions of occupational retirement provisions (IORPs) from other financial institutions. This is critical to avoid horizontal regulation and confusion when it comes to use cases. For instance, when it comes to pension funds reference on bias and discrimination, underwriting, pricing or sales and distribution is not relevant, in contrast to banking or insurance.

Paritarian pension funds are jointly managed by social partners, in most cases, operate as 'not-for-profit' entities, fulfilling a crucial social role in ensuring adequate social protection. Paritarian IORPs do not engage in product sales but rather serve members and beneficiaries with retirement benefits as defined by collective agreements. Mandatory affiliation based on employment relationships, regulated, and protected by national social and labour laws, further distinguishes paritarian institutions. Another key distinct aspect is that supplementary pension schemes managed by IORPs embody the principle of solidarity. This principle derives from the fact that there is an obligation to accept all the workers in the schemes (i.e. due to mandatory affiliation) without prior approval or examination (i.e. health issues examination). The principle of solidarity is also apparent from the absence of any equivalence, for individuals, between the contribution paid, which is an average contribution not linked to risks, and pension rights, which are determined by reference to an average salary.

It is imperative to acknowledge and point out this difference between private insurance and social insurance, as EIOPA also points out in its report 'Artificial intelligence Governance principles: Towards ethical and trustworthy artificial intelligence in the European insurance sector, (2021)'. Precisely EIOPA in p. 4 explains that '*Insurance exists in many forms. One dividing line is between (mandatory) social insurance and private insurance*.' Then in p. 22 EIOPA elaborates on this distinction and touches upon the principles of solidarity and social insurance. While reference is made to statutory social security and welfare systems it is underlined that this is like occupational social security schemes where social protection is granted automatically (and mandatorily) due to the collective agreements in place or the personal employment contract. Policy makers need to consider this vital distinction between private financial institutions and paritarian pension funds.

Considering the characteristics and structure of pension funds it is understood that for the pension funds AI is mostly relevant for administrative and operational uses such as data exchange, regulatory compliance, sustainable finance, fraud detection, and member services. AI is not relevant for establishing credit scores for individuals or risk assessment for selling a product to an individual, as such

practices are not applicable in the context of providing benefits through IORPs, where no such tests or practices are implemented.

Question INSURANCE 2. What are the opportunities that AI brings to your use case?
Please explain and give examples when possible:

-

Question INSURANCE 3. What are the main challenges and risks that AI brings to your use case (e.g discrimination, opacity of the AI application developed, difficult to control/supervise it, etc.)?
Please explain and give examples when possible:

In recent years, EU financial regulation has often taken a horizontal approach. Such an approach does not sufficiently safeguard the specificities of pension administration. It also risks the introduction of controls for the entire financial sector that might only be relevant for a subsection of the financial sector, creating unnecessary legislative burdens. The risks of AI systems are best assessed in their specific context. To tailor obligations as much as possible to pension providers, any legislation of AI in the financial sector should take the form of omnibus legislation, where relevant requirements are tailored for institutions for occupational retirement provision (IORPs) in the IORP II Directive.

Question INSURANCE 4. What is the main barrier to developing AI in your use case (e.g. lack of skills and resources, readiness of the technology, high regulatory costs for compliance with the relevant frameworks, etc.)?
Please explain and give examples when possible:

-

Question INSURANCE 5. Does AI reduce or rather increase bias and discrimination in your use case?
Yes
No
Don't know / no opinion / not applicable
Please explain your answer to question INSURANCE 5 and give examples when possible:

The AI Act does not contain high-risk applications that are specific to the pension sector. Pension funds by nature do not discriminate among their members and beneficiaries due to the automatically enrolment in a pension fund based on an employment contract or collective agreements. Pension providers must of course nevertheless assess and mitigate the risks of their AI applications.

Question INSURANCE 6. How can insurers ensure that the outcomes of AI systems are not biased?
Please explain and give examples when possible:

Not applicable.

Question INSURANCE 7. Has general purpose AI opened new possibilities or risks in your use case?
Yes
No
Don't know / no opinion / **not applicable**
Please explain your answer to question INSURANCE 7 and give examples when possible:

-

Question INSURANCE 8. On whom do you rely for the development of your AI solutions?
External providers
In-house applications
Partial collaboration with external providers
Don't know / no opinion / **not applicable**
Please explain your answer to question INSURANCE 8 and give examples when possible:

-

Part 3: AI ACT

In December 2023 the European Parliament and the Council reached a provisional political agreement on the first comprehensive AI framework, put forward by the Commission on 21 April 2021. The regulation was adopted by the European Parliament on 13 March 2024 and will enter into force later this spring once it has been published in the Official Journal of the EU. This horizontal acquis is applicable across all economic sectors.

The AI Act defines an AI system as "a machine-based system designed to operate with varying levels of autonomy, that may exhibit adaptiveness after deployment and that, for explicit or implicit objectives, infers, from the input it receives, how to generate outputs such as predictions, content, recommendations, or decisions that can influence physical or virtual environments". Recital 11 further sets out the reasons for this definition, notably setting out that it is based on key characteristics that distinguish it from simpler traditional software systems of programming approaches.
The AI Act will establish two high risk use cases for the financial sector:

1. AI systems intended to be used to evaluate the creditworthiness of natural persons or establish their credit score, with the exception of those AI systems used for the purpose of detecting financial fraud.
2. AI systems intended to be used for risk assessment and pricing in relation to natural persons in the case of life and health insurance.

The aim of this section is to identify which are your specific needs in order for the Commission to be able to adequately assist you with appropriate guidance for the implementation of the upcoming AI framework in your specific market areas, especially in particular to the high-risk use cases identified.

3.1. Scope and AI definition

Question 33. Which of the following use cases that could fall into the categorisation of high-risk are potentially relevant to your activity?
AI systems intended to be used to evaluate the creditworthiness of natural persons or establish their credit score
AI systems intended to be used for risk assessment and pricing in relation to natural persons in the case of life and health insurance
Both

None
Don't know / no opinion / **not applicable**

Question 35. Please explain the overall business and/or risk management process in which the high-risk use case would be integrated and what function exactly the AI would carry out:

Not applicable.

Question 36. Are there any related functions AI would carry out which you would suggest distinguishing from the intended purpose of the high-risk AI systems in particular to the use cases identified in question 34?

Yes
No
Don't know / no opinion / **not applicable**

Please explain your answer to question 36 and give examples when possible

-

Question 37. Please explain why these functions would/should in your view not be covered by the high-risk use cases set out in the AI act either because they would not be covered by the definition of the use case or by relying on one of the conditions under article 6(3) of the AI Act and explaining your assessment accordingly that the AI system would not pose a significant risk of harm if:

a) **the AI system is intended to perform a narrow procedural task:**

-

b) **the AI system is intended to improve the result of a previously completed human activity:**

-

c) **the AI system is intended to detect decision-making patterns or deviations from prior decision-making patterns and is not meant to replace or influence the previously completed human assessment, without proper human review:**

-

d) **the AI system is intended to perform a preparatory task to an assessment relevant for the purpose of the use cases listed in Annex III of the AI Act:**

-

Question 38. At this stage, do you have examples of specific AI applications/use cases you believe may fall under any of the conditions from article 6(3) listed above?

Please describe the use case(s) in cause and the conditions you believe they may fall under:

Not applicable.

Question 39. Based on the definition of the AI system, as explained above (and in article 3(1) and accompanying recitals), do you find it clear if your system would fall within the scope of the AI Act?

Not applicable.

3.2. AI Act requirements

Question 40. Bearing in mind there will be harmonised standards for the requirements for high-risk AI (Mandates sent to CEN-CENELEC can be monitored here), would you consider helpful further guidance tailored to the financial services sector on specific AI Act requirements, in particular regarding the two high-risk AI use cases?

Yes

No

Don't know / no opinion / **not applicable**

3.3. Financial legislation requirements

Question 41. Future AI high-risk use cases would also need to comply with existing requirements from the financial legislation.
Would you consider helpful further guidance meant to clarify the supervisory expectations for these use cases?

Yes

No, the supervisory expectations are clear

Don't know / no opinion / **not applicable**

Question 42. There are other use cases in relation to the use of AI by the financial services sector which are not considered of high-risk by the AI Act, but which need to comply with the existing requirements from the financial legislation.
Would you consider helpful further guidance meant to clarify the supervisory expectations for these use cases?

Yes

No, the supervisory expectations are clear

Don't know / no opinion / **not applicable**

Question 43. Are you aware of any provisions from the financial acquis that could impede the development of AI applications (e.g. provisions that prohibit the use of risk management models which are not fully explainable or the use of fully automated services for the interaction with consumers)?

Yes

No, I am not aware of any provision(s) of this kind

Don't know / **no opinion** / not applicable

For further information please contact: Panayiotis Elia, Policy Advisor, Pension & Financial Affairs

AEIP Disclaimer

AEIP represents the European Paritarian Institutions of Social Protection in Brussels since 1997. The association gathers 29 leading large and medium-sized social protection providers, which are managed on the basis of joint governance and equal representation by both employees and employers' organizations (the social partners) in 13 EU Member States.

AEIP represents its members' values and interests at the level of both European and international institutions. In particular, AEIP - through its working groups - deals with EU coordinated pension schemes and pension funds, healthcare, unemployment, provident and paid-holiday schemes.

Owing to the quality of its members and to the delegation of powers conferred to its Board, AEIP aims at becoming the leading body for the promotion of balanced paritarian social protection systems in Europe. AEIP promotes and develops programs and orientations aiming at the sustainability of paritarian social protection systems at local level taking into account the national specificities aiming at ensuring social cohesion in Europe.

Based thereon, AEIP prepares recommendations, proposes local programs and influences European decisions to safeguard and promote the interests of its members. AEIP thinks ahead and anticipate modern paritarian social protection systems that take into account changing economic and societal pattern. It furthermore seeks to find a new balance between and across generations.

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