APPENDIX 2: POSSIBLE TOPICS FOR EXPLORATION

Examples/Use Cases

In what area does Generative AI have the most significant promise to improve consumer financial services and consumer protection around the globe? Provide examples and supporting data to highlight the potential of GenAI models to expand financial services access, improve fairness and safety, aid regulators and financial firms in leveraging digital technology, stop criminal activity, or any other relevant function? How quickly can GenAI be deployed to improve financial services and regulation, and what are the biggest challenges and pain points that could slow beneficial GenAI deployment in financial services?

Credit Applications/Underwriting

How could Generative AI be used to improve the consumer credit process? This includes whether GenAI models could make the process more efficient for consumers; enhance the inclusiveness and predictiveness of underwriting; or address fair lending and other compliance requirements inherent in loan underwriting. How could GenAI be leveraged to improve existing AI and other digital tools used in the application/underwriting process? What risks can using Generative AI in underwriting create or exacerbate bias, and how can this be prevented?

Onboarding, KYC, Digital ID

How could Generative AI improve customer onboarding, including opening mobile accounts in regions with few bank branches, complying with relevant consumer protection regulations, blocking scams, and implementing customer due diligence (CDD) and know-your-customer (KYC) regimes? How could GenAI help account holders, financial institutions, and regulators establish digital ID/verification procedures? How could GenAI be leveraged to improve already existing digital tools used for onboarding?

Protecting Consumers and Preventing Fraud

How could Generative AI help protect consumers by identifying suspicious sales and marketing, detecting scams, and helping regulators and law enforcement catch bad actors? Is GenAI a solution for emerging-market regulators to update digital account and onboarding regimes — centered on consumers' use of their mobile phones — with adequate consumer protection mechanisms? How could GenAI potentially assist financial institutions and regulators in implementing consumer compliance rules, including UDAAP monitoring, fair-lending requirements, and mortgage underwriting rules?

Digital Transformation

Is GenAI a suitable tool to help financial services companies and regulators, still relying on legacy data and technology tools, accelerate their digital transformation? This topic could include improving data collection and synthesis and shifting data to the cloud. How could GenAI assist in writing the necessary code to accelerate software development and aid this transformation? What is the potential impact on human capital at organizations that use GenAI-enabled coding assistants?

Emerging Markets

How could Generative AI benefit financial consumers and regulators in emerging markets? What are the particular use cases in emerging markets where GenAI could be most helpful? Could GenAI be deployed more quickly and easily in countries with newer, digital-native financial services markets and regulatory structures, compared to countries with large legacy consumer financial markets that still rely on older, analog infrastructure?

Personal Financial Management/Advice

How could Generative AI help create a model for more innovative financial advice and financial management services for consumers? Could AI and GenAI open the possibility of providing consumers with an "AI financial assistant" that could give each person customized insights and recommendations on selecting safe and appropriate financial products, building credit, homeownership, savings and wealth-building, retirement planning, insurance, investing and cash flow budgeting? Is it feasible and proper for an AI to fulfill the fiduciary or certified financial advisor role?

Combinatorial Possibilities in Different Types of GenAI

What risks and opportunities arise from combining different types of Generative AI, including those that create text, code, images, and video? Are there likely to be financial services innovations that, by combining these tools, make significant shifts in financial products, practices, or regulations? What would be examples of possible game-changing activities, for good and will, and what steps should be taken to address them from a design and public policy standpoint?

Generative AI Ethics and Regulation

What factors should drive the development of ethical and regulatory frameworks for Gen AI? Are there best practices that should always be addressed? Are there danger factors that should always be avoided? What regulatory frameworks would you recommend, and by what kinds of entities? How should auditability, explainability, and controls be built into financial services and infrastructure that use Generative AI? How should policymakers address challenges such as protecting intellectual property, the validity of source data, code, and imagery, and the difficulty of recognizing results that have been generated based on dis- and misinformation, whether due to innocent error or malicious action?

Regulatory and Risk Management Pathways

What courses of action should policymakers, regulators, and industry risk managers take to navigate rapid technology change in Generative AI? How can decision-making be accelerated without unduly raising risk? How can regulators course-correct when needed without causing disruptive uncertainty in regulated markets? How can regulators and risk managers develop agile standards that continuously adapt to changing dynamics? Is there a need for new mechanisms, protocols, collaborative forums, or other kinds of change? Is there a significant risk that regulatory requirements will fall behind the pace of technology change in ways that result in substantial risk?

Impacts on Workforces

What is the likelihood that Generative AI will dramatically disrupt finance, financial risk management, and financial regulation workforces? Is it more likely that this technology will enhance the effectiveness and efficiency of professionals in these fields or replace them? How will skills need to change in industry and government regarding recruiting and training, and what obstacles may impede acquiring the required talent?

Regulatory Technology and Readiness

Are financial regulators equipped today to absorb the challenges and opportunities arising from Generative AI, and if not, what steps should be taken? Can agencies use and oversee Gen AI innovations with current IT infrastructures? Will agencies need cloud computing to adapt to the challenges ahead? Do agencies face obstacles relating to procurement rules and protocols? Do they need help marshaling sufficient funding and the required skills to transition to digital technology that can ingest data primarily in digital form, with large data sets and data timeliness? Do agencies have skills and cultures that can readily adapt to the changes AI is likely to bring? If not, what steps should they take?

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