

FSB says AI monitoring in finance is immature, flags supplier concentration

Source copy kept by wheresthe.ai for the story "FSB says AI monitoring in finance is immature, flags supplier concentration" (<https://wheresthe.ai/d/intl-fsb-ai-monitoring-report-2025-10/>).

Source: <https://www.fsb.org/2025/10/fsb-outlines-next-steps-for-authorities-on-ai-monitoring/>

Text saved 18 Oct 2026 (the page as published).

SHA-256 of the saved text: 1004ea3a94f001e60c03caa7649a5ee138f60db040aaaabc3058faa4adf5e261

Press Press Releases FSB outlines next steps for authorities on AI monitoring

Press enquiries: +41 61 280 8477 Ref: 16/2025

FSB report sets out advice to authorities on how to tackle the challenges related to monitoring adoption of artificial intelligence (AI) in the financial sector.

The report identifies a range of direct and proxy indicators to support monitoring of AI adoption and related vulnerabilities in the financial system.

The report includes a case study on recent developments in the AI supply chain and implications of financial institutions' reliance on a few critical third-party providers. These include vulnerabilities related to criticality, concentration, and substitutability.

The Financial Stability Board (FSB) today published a report looking at how authorities are monitoring adoption of AI and related vulnerabilities in the financial sector. The report builds on the FSB's 2024 report on the Financial Stability Implications of Artificial Intelligence.

While financial authorities have made progress in understanding AI uses cases and their benefits and vulnerabilities, monitoring efforts are still at an early stage. The report highlights challenges faced by authorities, including data gaps and lack of standardised taxonomies, and identifies a range of indicators to support monitoring AI adoption and related vulnerabilities in the financial system.

Third-party service providers play a critical role in helping financial institutions develop and deploy effective AI applications efficiently. However, such relationships expose financial institutions to operational vulnerabilities, and the growing use of generative AI (GenAI) could lead to critical third-party dependencies. The report highlights the dependence of GenAI on a small number of key suppliers such as specialised hardware, cloud infrastructure, and pre-trained models. This heavy reliance can create vulnerabilities if there are few alternatives available. A case study on GenAI explores these challenges, drawing on the FSB's third-party risk management toolkit and proposing indicators to assess criticality, concentration, substitutability, and the systemic relevance of third-party AI service providers.

The FSB encourages national authorities to enhance their monitoring approaches, leveraging the indicators presented in the report. To support these efforts, the FSB will facilitate alignment in taxonomies and indicators through cross-border cooperation.

Notes to editors

The FSB coordinates at the international level the work of national financial authorities and international standard-setting bodies and develops and promotes the implementation of effective regulatory, supervisory, and other financial sector policies in the interest of financial stability. It brings together national authorities responsible for financial stability in 24 countries and jurisdictions, international financial institutions, sector-specific international groupings of regulators and supervisors, and committees of central bank experts. The FSB also conducts outreach with approximately 70 other jurisdictions through its six Regional Consultative Groups.

The FSB is chaired by Andrew Bailey, Governor of the Bank of England. The FSB Secretariat is located in Basel, Switzerland and hosted by the Bank for International Settlements.

Publication

10 October 2025 Monitoring Adoption of Artificial Intelligence and Related Vulnerabilities in the Financial Sector

FSB report summarises critical monitoring challenges and provides high-level considerations to enhance monitoring of AI adoption and address data gaps.

Content Type(s) : Press Press Releases

Source(s) : FSB

Policy Area(s) : Financial Innovation