

Japan's FSA publishes a discussion paper urging banks to use AI and warning of inaction

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March 4, 2025

(Updated March 3, 2026)

Financial Services Agency

Publication of AI Discussion Paper

The Financial Services Agency (FSA) issued an AI Discussion Paper entitled "Preliminary Discussion Points for Promoting the Sound Utilization of AI in the Financial Sector" in Japanese on March 4, 2025. Today, the FSA publishes English version of the AI Discussion Paper on April 10, 2025.

* The summary document is also updated in conjunction with the publication of the English version of the AI Discussion Paper

* Version 1.1 of this document was published on March 3, 2026

1. Summary

Generative AI's dramatic performance improvements are driving a societal transformation. Looking ahead, AI is expected to greatly improve efficiency and convenience across industries, including finance, and in various aspects of daily life, contributing to improved living standards and national economic development. However, the utilization of complex AI, particularly generative AI, presents challenges and emerging risks, such as misuse leading to crime and the spread of misinformation. While the financial sector is actively exploring AI adoption, concerns about risks and regulatory hurdles are causing some hesitation. Recognizing the "risk of inaction"-the potential for long-term decline in high-quality financial services due to technological stagnation-we encourage initiatives that emphasize customer convenience and operational efficiency. Therefore, the FSA has published this Discussion Paper to provide strong support for the sound use of AI and to contribute to constructive dialogue with business operators in the future.

2. Request for Comments

This Discussion Paper provides an initial overview of the current state and challenges of AI utilization in financial institutions, examining a broad range of related issues. As this analysis is preliminary, technological advancements and evolving business landscapes may significantly alter the identified challenges. We intend to use these viewpoints as a foundation for ongoing dialogue with stakeholders and to evolve and refine specific future policies. We welcome your comments and suggestions via email to the Fintech and Innovation Office, Risk Analysis and Analysis Division, Policy Bureau [ai. survey ★ fsa. go. jp Please replace the ★ with @.] Please note that we are not accepting comments via telephone.

(Attachment 1)

AI Discussion Paper

(Attachment 2)

[AI Discussion Paper \(Summary\)](#)

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[Back Number \(2025\)](#) [Back Number \(2024\)](#) [Back Number \(2023\)](#)

[top of page](#)