

MAS consults on AI risk management guidelines for all financial institutions

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On 13 November 2025, the Monetary Authority of Singapore ("MAS") published a consultation paper proposing a set of Guidelines on Artificial Intelligence Risk Management ("Guidelines") to guide financial institutions ("FIs") on the responsible use of artificial intelligence ("AI") in the financial sector. The consultation closes on 31 January 2026.

The proposed Guidelines, which will apply to all FIs, set out MAS' supervisory expectations on oversight of AI risk management in FIs, key AI risk management systems, policies, and procedures, key AI life cycle controls, as well as capabilities and capacity needed for the use of AI.

The Guidelines aim to establish a set of expectations that are generally applicable across the financial sector, and may be applied in a proportionate manner, commensurate with the size and nature of FIs' activities, use of AI, and their risk profiles. The Guidelines will cover different AI applications and technologies, including generative AI, as well as newer developments such as AI agents.

MAS has set out expectations for FIs in the following key areas:

Oversight of AI risk management: The board and senior management of FIs play a key role in the governance and oversight of AI risk management, including the establishment and implementation of frameworks, structures, policies, and processes for AI risk management, and fostering the appropriate risk culture for the use of AI.

Key AI risk management systems, policies, and procedures: To support oversight and risk management of AI use, FIs need to establish clear identification processes for AI usage across the firm, maintain accurate and up-to-date AI inventories, and implement risk materiality assessments that cover impact, complexity, and reliance dimensions.

AI life cycle controls, capabilities, and capacities: To manage the risks of AI throughout its lifecycle, FIs should plan for and implement robust controls in areas such as data management, fairness, transparency and explainability, human oversight, management of third-party AI risks, evaluation and testing, monitoring, and change management. Such controls should be applied based on their relevance and be proportionate to the assessed risk materiality of AI usage. FIs should also ensure that their capabilities and capacities are adequate for their use of AI.

The Guidelines build on MAS' supervisory thematic review of key banks' use of AI in 2024, as well as discussions with FIs.

MAS recognises that the maturity of AI risk management practices vary among FIs. Hence, MAS proposes to provide a transition period of 12 months after the Guidelines are issued, for FIs to assess and implement the Guidelines as appropriate.

Reference materials

The following materials are available on the MAS website www.mas.gov.sg :

Press release: MAS Guidelines for Artificial Intelligence (AI) Risk Management

Consultation Paper on Proposed Guidelines on Artificial Intelligence Risk Management for Financial Institutions