



Study: AI Framework Development for Swiss Financial Institutions

Study Setup, Proposal to SFTI

Study Overview & Approach

Overview

- The goal of this study is to develop a **practical and scalable framework for implementing Artificial Intelligence (AI)** in Swiss financial institutions. The study will start with a **specific use case in the compliance function** and generalize the findings to **create a flexible framework applicable across various functions** within financial institutions.
- The framework will address **key success factors for AI implementation**, ensuring it meets regulatory requirements, aligns with organizational goals, and delivers measurable benefits. The study will also include **strategies for scaling AI across different functions** within financial organizations, providing a roadmap for sustainable AI adoption.
- The focus will be on **high-impact deliverables and approach**, ensuring that the study remains practical and delivers highly valuable outcomes within the set timeframe.

Approach

- This study will be executed over **five key phases**, with a detailed focus on each phase to ensure **thoroughness and practicality** in the development of the AI framework. The approach will integrate research, development, validation, and strategic planning to ensure the final deliverable is robust and actionable.



AI Framework Development for Swiss Financial Institutions

Phase 1: Targeted Research and Analysis



Objective

- Conduct focused research on AI in compliance, identifying key opportunities and challenges within the Swiss financial sector.

Duration

- 4 Days

Activities

- **Literature Review:** Conduct a targeted review of the most relevant academic papers, case studies, and industry reports on AI in financial compliance.
- **Regulatory Overview:** Summarize key compliance regulations impacting AI implementation in Swiss banks.
- **Stakeholder Input:** Collect and review existing study reports and documents that capture stakeholder perspectives on AI in compliance.
- **AI Tool Overview:** Overview of existing AI tools and technologies that are relevant to compliance functions, focusing on their capabilities, limitations, and potential for integration.

Deliverables

- **Research Summary:** A concise report summarizing key findings, focusing on the most relevant AI applications and challenges in compliance.
- **Regulatory Overview Document:** A brief document highlighting key regulatory considerations for AI in Swiss financial compliance.

Phase 2: Compliance Use Case Development



Objective

- Develop a high-level AI-enhanced use case for a specific compliance function, serving as a prototype for broader applications.

Duration

- 4 Days

Activities

- **Use Case Selection:** Identify a specific compliance task with high potential for AI enhancement, such as AML monitoring (example).
- **Process Mapping:** Create a simplified process map of the current compliance task, focusing on key steps where AI can add value.
- **AI Integration Proposal:** Develop a high-level proposal outlining how AI could be integrated into the selected compliance task, focusing on key benefits and challenges.

Deliverables

- **Use Case Document:** A high-level document outlining the selected compliance task, proposed AI enhancements, and expected outcomes.
- **Process Map:** A simplified visual representation of the current and AI-enhanced process.

Phase 3: Generalized Framework Development



Objective

- Develop a streamlined, generalized framework for AI implementation across other functions within financial institutions.

Duration

- 5 Days

Activities

- **Framework Abstraction:** Based on the compliance use case, develop a high-level framework for AI implementation that can be applied to other functions.
- **Functional Area Identification:** Identify a few key functional areas (e.g., risk management, customer service) where the framework could be applied.
- **Scalability Considerations:** Provide guidelines for scaling the AI implementation across different functions, focusing on high-level strategies rather than detailed plans.

Deliverables

- **AI Framework Document:** A high-level framework for AI implementation across various functions, including key steps and considerations.
- **Scalability Guidelines:** A brief set of guidelines outlining how the AI framework can be scaled and adapted to different functions.

Phase 4: Validation and Refinement



Objective

- Validate the framework through internal review and refine it based on practical considerations.

Duration

- 3 Days

Activities

- **Internal Review:** Conduct an internal review of the AI framework, using hypothetical scenarios to test its applicability, and collect feedback by select SFTI members, if feasible.
- **Feedback Integration:** Refine the framework based on the internal review and feedback by select SFTI members, if feasible, focusing on simplifying and clarifying the approach.

Deliverables

- **Refined AI Framework Document:** The final version of the AI framework, incorporating insights from the internal review.
- **Feedback Summary:** A brief document summarizing the internal review process and how the feedback was integrated.

Phase 5: Final Report and Presentation



Objective

- Compile the final report deliverables and present the outcome and findings to SFTI and other stakeholders.

Duration

- 2 Days

Activities

- **Report Compilation:** Compile all deliverables into a final study report, focusing on clarity and coherence. Both SFTI and IFL may further communicate the study and outcome as joint working product.
- **Presentation Preparation:** Develop a concise presentation summarizing the study's key findings, framework, and recommendations.
- **Stakeholder Presentation:** Present the final deliverables to SFTI, financial institutions, and other key stakeholders.

Deliverables

- **Final Study Report:** A cohesive report that includes the research summary, use case, AI framework, and scalability guidelines.
- **Presentation Deck:** A concise, visually appealing presentation summarizing the study outcomes.

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Success Factors ...

... for AI Implementation

1. **Regulatory Compliance:** Ensuring that the AI framework adheres to Swiss regulatory standards.
2. **Feasibility:** The proposed AI solutions must be practical and easily integrated into existing processes.
3. **Scalability:** The framework should allow for easy adaptation and scaling across various functions.
4. **Stakeholder Buy-in:** The framework should be simple enough to gain the support of key stakeholders, ensuring its successful implementation.

... for Study Success

1. **Focused Scope:** By focusing the scope to high-impact activities, the study remains achievable within the allocated time.
2. **Clear Deliverables:** Each phase has clear, concise deliverables that directly contribute to the overall study goal.
3. **Efficient Use of Time:** The study timeline is structured to maximize efficiency, ensuring that all deliverables are completed on time.
4. **Expertise and Commitment of Academic Partner:** IFL will contribute to the study's success by leading with academic and professional expertise and by providing 1/3 of the projected total work effort as an investment.