



Guernsey Financial Services Commission

Policy Statement

Use of Artificial Intelligence

The Commission supports innovation and recognises the role Artificial Intelligence ("AI"), in all forms, could play in transforming the way financial services are administered, managed and delivered at all levels.

The Commission's position is to encourage the adoption of various AI tools and new technological developments, such as machine learning, large language models, agentic and generative AI, all of which can enhance operational efficiency and ease administrative burdens.

The Bailiwick's regulatory regime is principles based, meaning that innovations can be implemented within the existing regulatory framework without the need for specific approval or discussion with the Commission. Firms should treat the adoption of any AI tools as it would do so for any other technical or strategic project, taking into account the principles of the Finance Sector Code of Corporate Governance*, in particular the principles relating to accountability and risk management, and the Minimum Criteria for Licensing as set out in the relevant regulatory laws. Although any new technologies must comply with the Bailiwick's laws, rules and codes in force at the time of adoption, the Commission does not consider these to be an inhibitor of progress.

The Commission is not proposing specific rules or guidance in relation to the use of AI, or prescribing accreditation or certification to a particular standard, however if firms have uncertainty over how best to implement these new technologies they may find it useful to consider existing AI frameworks or guidelines such as the NIST AI Risk Management Framework, ISO/IEC 42001, or the NCSC Guidelines.

If there are specific rules which those wishing to trial new technology feel stand in the way of their efforts, we are happy to discuss options, which may include but are not limited to the Innovation Sandbox, a variation or waiver on a pilot basis, or the redrafting of a rule if the movement of technology has made its original design obsolescent.

*Including requirements in the Commission's Handbook on Countering Financial Crime related to the use of technology.