

## Comment Letter in Response to IOSCO's Report:

### *Artificial Intelligence in Capital Markets: Use Cases, Risks, and Challenges*

11 April 2025

The Futures Industry Association (FIA)<sup>1</sup> and the FIA Principal Traders Group (FIA PTG)<sup>2</sup> welcome the opportunity to respond to [IOSCO's Report](#) titled *Artificial Intelligence (AI) in Capital Markets: Use Cases, Risks, and Challenges* (the "AI Report"). AI technologies have undergone significant developments since the publication of IOSCO's most recent report on AI in 2021. Accordingly, FIA supports the efforts of the IOSCO Fintech Task Force (FTF) AI Working Group (AIWG) to gather information on current and potential future uses of AI systems in financial products and services and consider their potential benefits and risks. Any new IOSCO recommendations addressing AI in capital markets, including futures and derivatives markets, need to be carefully developed, coordinated and practical.

The AI Report notes that the next phase of IOSCO's work will be to "consider, if appropriate, the development of additional tools, recommendations, or considerations to assist IOSCO members in addressing the issues, risks, and challenges posed by the use of AI in financial products and services."

FIA encourages IOSCO to take a technology-neutral approach in this next stage when considering any additional tools, recommendations, or considerations for IOSCO members. IOSCO and its individual members should focus on outcomes and activities rather than the technology itself. Rapidly evolving technologies will likely render any AI-specific or overly prescriptive standards, rules and/or regulations outdated in the near future. IOSCO and its members should continue engaging with the industry to better understand how AI tools are being used by market participants and how potential risks associated with these uses are being managed.

FIA encourages IOSCO and its members to consider the applicability of their existing standards, rules and regulations when assessing whether any new, AI-specific regulations are needed. Tools that incorporate forms of AI technology are already subject to controls and oversight under existing IOSCO standards, and there is no evidence to suggest that existing standards are insufficient. At minimum, any technology-specific standard or guidance, which gives rise to additional costs and impedes the adoption of new

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<sup>1</sup> FIA is the leading global trade organization for the futures, options and centrally cleared derivatives markets, with offices in Brussels, London, Singapore and Washington, DC. Our membership includes clearing firms, exchanges, clearinghouses, trading firms and commodities specialists from about 50 countries as well as technology vendors, law firms and other professional service providers.

<sup>2</sup> FIA PTG is an association of firms, many of whom are broker-dealers, who trade their own capital on exchanges in futures, options and equities markets worldwide. FIA PTG members engage in manual, automated and hybrid methods of trading, and they are active in a wide variety of asset classes, including equities, fixed income, foreign exchange and commodities. FIA PTG member firms serve as a critical source of liquidity, allowing those who use the markets, including individual investors, to manage their risks and invest effectively. The presence of competitive professional traders contributing to price discovery and the provision of liquidity is a hallmark of well-functioning markets. FIA PTG advocates for open access to markets, transparency and data-driven policy.

technologies, should be tailored to address a defined gap in existing regulatory frameworks and supported by evidence.

In addition, regulatory coordination and a globally harmonised approach to AI are essential to effective standards. Regulatory divergence and overlap will create unnecessary complexities for firms whilst also acting as a barrier to AI access and adoption, potentially stifling innovation in futures and derivatives markets. FIA encourages IOSCO to support and encourage cross-border coordination and cooperation among members and across jurisdictions to avoid a fragmented regulatory landscape.

FIA appreciates the opportunity to respond to the AI Report.

Most respectfully,

A handwritten signature in black ink that reads "Walt L. Lukken". The signature is written in a cursive, flowing style.

Walt L. Lukken  
FIA, President and CEO

A handwritten signature in blue ink that reads "Joanna Mallers". The signature is written in a cursive, flowing style.

Joanna Mallers  
FIA PTG, Executive Director, Secretary