

Deutsche Börse Group

Comments on the European Commission´s legislative proposal for
harmonised rules on Artificial Intelligence (Artificial Intelligence Act) and
amending certain Union legislative acts

Frankfurt am Main, 6 August 2021

Introduction

Deutsche Börse Group (DBG) in its capacity as a financial market infrastructure provider uses modern IT and technological solutions to operate, and service the financial sector worldwide. DBG's technologies are at the core of its operations and are an integral part of the regulated services we operate. We ensure the efficient functioning of markets, including but not limited to market data, trading, provision of indices, clearing, securities custody.

DBG clearly sees the advantages of new technologies and is actively seeking to use them. We have been familiar with the handling of critical and confidential financial market data for decades and we understand very well the risks associated with a significantly increased use of data. We are currently working on the use of cloud technology and distributed ledger technology (DLT) / blockchain as well as automation of processes. We use these technologies in a rather gradual, granular and tested manner, hence continuing to guarantee transparency, stability and investor protection at all times. Therefore, the AI regulation is an important topic for our current and future activities.

We welcome the European Commission's (EC) legislative proposal, which embeds AI in a proper regulatory framework. From a regulatory perspective, we advocate effective risk management, especially since fundamental prohibitions on use would only lead to a significant competitive disadvantage compared to markets and jurisdictions with a more liberal approach to data and big data technologies.

Instead, responsible and trustworthy handling of financial data and develop safe AI solutions should be promoted by creating a secure (i.e. financial) data infrastructure in Europe. The EU can thus become a pioneer in the use of high-quality, secure and validated big data and AI applications. Especially as this explicitly promotes the development of technologies for the protection of data and AI applications and can thus become a global standard.

The development of a central, secure and supervised data infrastructure for the financial industry can be a key factor for the competitiveness of German and European companies. At the same time, it can act as a global beacon for the highest standards in data security and encryption technology.

DBG is actively working on this topic in the "Financial Big Data Cluster" (FBDC), which is also a use-case of the GAIA-X project. The FBDC is a platform which will integrate the previously unconnected financial data of companies / banks, authorities and science in a common data pool and be optimized for the development of AI applications and systems, especially with focus on AML/ joint fraud detection. It is a joint effort with the industry and the Hessian Government.

Key DBG comments

Clear and efficient legal framework necessary: With regard to the implementation of rules and as a general statement, the clearer/precise and ideally standardised the requirements/definitions/obligations of any given legislation are, the easier companies can adapt. This is true for the whole process of designing a product, the authorization and the monitoring during the life cycle of the AI solution as well and should be kept in focus of the legislative process.

Definition and high-risk applications: We think that the definition of AI in the proposal is rather broad, given that it needs to capture all industry-solutions and aims to be sufficiently flexible. Here and in the context of high-risk application we welcome the examples in the annex and the overall approach chosen. From a financial market perspective, we share the EC's view that the finance sector does not fulfill the criteria to be categorized as high-risk (e.g. due to the lack of the risk of harm to health and safety or negative effects on fundamental rights, in Art 7 (1) b).

We support a certification of high-risk AI applications: For AI applications which are not considered high-risk, we welcome the possibility for companies to receive a voluntary certification. We prefer an official harmonized procedure for forms of AI applications with clear requirements and an official certification process performed by a formally authorized actor. In the context of AI, we are opposing "self-certification" systems in general. However, it is crucial that the necessary capacities are in place at the respective authorities to assess the AI, to ensure the efficiency of the assessment-process to support the launch of AI products in a timely-manner.

Application of existing rules welcome: From our point of view as a financial market infrastructure, most activities/services performed by AI applications in the financial sector would be regulated by already existing rules and legislation. Therefore, the "same business, same risk, same rules" principle should apply.