

White Paper on Artificial Intelligence - a European Approach to Excellence and Trust

Position Paper on the EU Commission's public consultation

[Intesa Sanpaolo](#), one of the top banking Group in the Europe, welcomes the opportunity to respond to the European Commission's Consultation 'White Paper on Artificial Intelligence – A European Approach to Excellence and Trust'.

This position paper is intended to:

1. Provide more details on the work done so far by Intesa Sanpaolo in this field in terms of its concrete commitment to the use of AI applications in a fair and responsible way.
2. Present its key recommendations to the European Commission in the context of the public open consultation on the White Paper on AI.

1. Intesa Sanpaolo commitment on AI

In recent years Intesa Sanpaolo joined two "AI task-forces" in **AFME and EBF** with the aim to establish the banking sector's position on the development, challenges and opportunities of AI.

In 2019 Intesa Sanpaolo also joined [AI4People](#), a multi-stakeholder forum, a common public space for laying out the founding principles, policies and practices on which to build a "good AI society". This year the forum will publish a "Good AI Global Framework" for the Banking and Finance sector, that will contain practical recommendations and obligations emerging from the analysis on how utilize law, standards and regulation to accommodate the new capacities, practices and behaviors enabled by AI. Intesa Sanpaolo is the only financial partner of this forum so far.

In addition, in October 2019 Intesa Sanpaolo was selected to participate to the **"deep dive" interview** to pilot the **Trustworthy AI Assessment List** and provided detailed feedbacks, insights and suggestions about how the list could be implemented in the future.

On the public-private research on Trustworthy AI, Intesa Sanpaolo started this year a collaboration with a technology partner (who is also co-member of the AI4People's Banking & Finance Committee) and an academic institution to develop joint use cases and banking models focused on ethical challenges of AI technologies within the banking & finance sector. The scientific research collaboration's objectives are:

- To develop "good AI banking models" (e.g. predict customer's creditworthiness) **avoiding black-box issues** by developing transparent or, in general, explainable models.
- To define a **set of metrics (use-case based) that describes the notion of fairness** in the problem at hand, that will help to detect discriminatory issues.

- To implement a **set of procedures in order to correct/prevent any possible discrimination** in the outcomes of the AI model.
- Through the support of the academic partner, qualitative metrics describing the concept of “fairness” in the model will be elaborated to grant the “**neutrality**” of our **scientific collaboration** and avoid any business bias.

Our research provides tangible framework, methodologies, and algorithmic approaches in order to advise AI developers and practitioners.

2. Intesa Sanpaolo key recommendations

- **AI Definition:** while we appreciate the fact that the European Commission White Paper on AI makes explicit reference to the importance of both data and algorithms in AI definition, it is not clear whether the cited High-Level Expert Group (HLEG) refinement of the European Commission definition of AI is the one that will be considered valid for the scope of the document and its further developments. In general, we support the HLEG definition of AI, with the remark that it may be too specific in referring explicitly to “actions” taken by AI systems: a large part of what is widely recognized to be AI is composed by data-learning algorithms that output a prediction/valuation, without actually “acting” in any sense (neither physical nor virtual) It may well be that excluding these type of algorithms is a precise intent of the European Commission White Paper, but if this is the case then it should be further clarified.
- **Ecosystem of Trust:** we support a technology-neutral and activity-based approach to regulation. Any other measures will have a negative impact on the AI adoption in Europe.
- **High-risk sectors and applications:** we believe more clarity about the criteria to determine high-risk sectors and applications is needed. In this respect, we acknowledge and support a focus on safety and physical integrity as the highest types of risk to be faced. Moreover, we encourage to consider existing regulations in order to avoid duplications (for example, the financial sector is already subject to several obligations that can embrace AI technologies risks as well). As a final remark, we encourage the Commission to carefully consider that sector-wise requirements may incur in unwanted distortions when the same services are offered by companies both in the designated sector and outside that sector (and/or the EU). The Commission should prevent from the risk of unintended regulatory arbitrage and unlevel playing field.
- **Voluntary Labelling for non-high-risk sector:** we consider that more clarity on the requirements and functionality is needed. For instance, we would like to ask on which basis any given AI application had, or did not have, the label applied. In addition, we wonder how consumers can concretely benefit from it, given the fact that the label could be perceived as unclear or ambiguous. Moreover, the authority in charge of granting and overseeing the label should be clearly identified. Finally, if a Voluntary Labelling system is established, it should be truly voluntary, and stakeholders should be able to opt-out at any point.

Conclusions

Financial service is a highly-regulated industry. When designing, developing and deploying AI, financial services are subject to duties and obligations that apply regardless of the technology employed to run the business, and that already address and mitigate many risks related to the use of AI applications.

Intesa Sanpaolo strongly encourages the Commission **to promote partnerships, forums and any other experimental approach**. It is crucial, for both authorities and companies, to set a dialogue and foster joint initiatives to: **(i) better understand risks and advantages of AI applications and (ii) dispel the myths that may have arisen about the technology**.

This approach will certainly promote Europe's innovation capacity to become a global leader in the data economy as set out in the European data strategy.