



Remarks of

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for the

RCE event video recording

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Ladies and Gentlemen

Distinguished resource persons and participants

Good morning

I am pleased to share a few insights on a topic that is significantly reshaping the financial landscape: the supervision of artificial intelligence (AI) in finance. AI has emerged from the fringes and is now at the forefront of discussion in boardrooms. In finance, it is now playing a central role in areas such as credit approval, fraud prevention, market monitoring, and customer interactions.

Embracing AI brings considerable advantages, including enhancing operational efficiency, deepening analytical insights, and enabling more agile, responsive, and customer-centric financial services. Yet, as these technologies become more deeply embedded, they also introduce new layers of complexity and uncertainty that warrant closer supervisory attention.

Key risks observed in advanced AI systems include model hallucinations (generation of inaccurate outputs), susceptibility to adversarial manipulation, data leakage and privacy breaches, embedded biases in training data, and model drift over time.

Ladies and gentlemen

Traditional supervisory methods were built for straightforward, predictable systems. In contrast, modern AI, especially generative and autonomous models, behave dynamically and sometimes unpredictably. This shift requires us to rethink how we validate, explain, and ensure accountability of the decision-making process based on AI. Therefore, our supervisory approach must move from periodic check-ups to ongoing monitoring and from reactive assessments to proactive oversight.

Let me highlight three key actions for us all:

First, we need governance structures that are both strong and flexible. Leading organisations worldwide stress the importance of solid AI management to ensure responsibility and openness. It is a prerequisite to have clear ways to handle model risks, manage data, and oversee third-party relationships. Supervisors must make sure institutions understand their AI tools, can explain their decision-making, and remain accountable for outcomes, whether the technology is home-grown or from outside providers.

Second, supervisors' skills must grow with technological advances. While more supervisors are adopting new technologies, there are still expertise gaps between regions. Effective AI oversight takes more than regulations. It needs advanced data systems, technical know-how, and organizational preparedness. Investing in powerful analytics, building multidisciplinary teams, and using AI for supervision will help us identify and respond to risks quickly.

Third, greater collaboration between regulators and law enforcement is crucial. AI is changing the nature of financial crime, introducing threats like fake identities, scams using deepfakes, and highly targeted deception. These new challenges blur the lines between regulation and criminal investigation, making joint intelligence sharing, collaborative probes, and aligned rules across borders increasingly important.

Beyond this, we must consider broader issues. If only a few tech companies control advanced AI capabilities, it could create dependencies that threaten financial stability. Additionally, reliance on opaque AI models could raise concerns about trust, market integrity, and sound economic decisions.

Ladies and gentlemen

Our fundamental role as central banks and regulators has not changed: we safeguard financial stability and public trust. Proper AI oversight is not just a technical task; it is central to our mission. Our challenge is to support ongoing innovation and progress without sacrificing resilience, fairness, or ethics.

Looking forward, adaptability will be key to successful supervision. Governance must stay flexible, risk management should be ongoing, and institutions need the ability to anticipate, and not just respond to new risks.

Ladies and gentlemen

AI offers great promise for the financial sector if managed thoughtfully and carefully. It is our collective duty to ensure that regulation keeps pace with innovation, maintaining a safe, stable, and reliable financial system. I am sure that today's event will spark enriching discussions and foster networking opportunities on a topic that is now the buzzword.

Thank you.