AFCM
ARAB FEDERATION OF CAPITAL MARKETS

MANIFEST
Executive Consultancy

Responsible AI for Capital Markets:

Surveillance, Compliance, Conduct and Control

Dates: 27 - 28 July | Duration: 6 Hours | Delivery Mode: Online

Training positioning:

This programme is designed for AFCM member institutions that operate, regulate, supervise, intermediate or support capital markets. It therefore addresses both market infrastructure perspectives and broker/dealer compliance, conduct, supervisory and operational-risk perspectives. Agentic AI use cases are included as a distinct theme, with appropriate control boundaries.

Overall Learning Objectives:

- Understand practical AI and agentic AI applications in market surveillance, compliance, investigations and broker/dealer supervision.
- Assess where AI can reduce false positives, detect complex patterns, support case investigation and improve regulatory reporting.
- Identify AI-specific risks, including model risk, explainability limits, hallucination, bias, data leakage, cyber risk and over-reliance.
- Design practical AI governance arrangements aligned with capital markets expectations, three-lines-of-defense models and responsible AI principles.
- Apply an AI risk assessment template to real surveillance and broker/dealer compliance use cases.
- Develop a realistic implementation roadmap from pilot to controlled production deployment.

Detailed Agenda

Day 1

AI for market surveillance, compliance, enforcement support and broker/dealer supervision.

1. Opening & Capital Markets Context

- Why AI matters for AFCM markets now
- Exchange/regulator/CSD perspectives versus broker/dealer perspectives
- From rules-based alerts to AI-assisted supervisory intelligence
- Key opportunity areas: market abuse, AML, communications surveillance, regulatory reporting, conduct risk and internal controls

2. AI Fundamentals for Surveillance & Compliance Professionals

- AI, machine learning, generative AI and agentic AI: practical distinctions
- Supervised, unsupervised and semi-supervised learning
- Anomaly detection, pattern recognition and predictive analytics
- Natural language processing for investigations, policies, alerts and communications
- Why AI supports, but does not replace, supervisory judgment

3. Core Use Cases: AI in Market Surveillance

- Detection of abnormal trading patterns and outlier behavior
- Spoofing, layering, wash trading and marking-the-close indicators
- Insider trading, information leakage and pre-announcement activity
- Pump-and-dump, coordinated activity and social-media driven manipulation
- Cross-market, cross-asset, cross-broker and cross-account correlation
- Alert prioritization and false-positive reduction

4. Broker/Dealer Compliance and Conduct Supervision

- AI for trade surveillance within broker/dealers and securities firms
- Suitability, best execution, churning, unauthorized trading and sales-practice risk indicators
- Client risk profiling, beneficial ownership signals and KYC refresh prioritization
- AML transaction monitoring, sanctions screening and suspicious activity triage
- Communications surveillance across email, chat, recorded calls and collaboration platforms
- Supervisory controls for branches, relationship managers, traders and sales teams

5. Agentic AI Use Cases in Surveillance & Compliance

- AI investigation copilot: summarizes alerts, drafts case chronologies and identifies missing evidence
- Regulatory reporting agent: prepares first drafts of recurring reports and exception explanations
- Policy and rule-mapping agent: maps new regulatory obligations to internal procedures and controls
- Member/broker supervision agent: compiles broker risk profiles from surveillance, compliance and operational data
- Evidence-gathering workflow agent: requests data, checks completeness, builds timelines and flags inconsistencies
- Control boundary: agentic AI should recommend, draft and route — not make enforcement decisions or execute irreversible actions without human approval

6. Data Foundations for Effective Surveillance AI

- Order book, trade, client, account, beneficial ownership, communications and market news data
- Data quality, lineage, timestamps, entity resolution and audit trails
- Local language, Arabic/English/Turkish/French data and regional market-structure challenges
- Confidentiality, privacy and cross-border data-transfer constraints

7. Interactive Case Study: Market Abuse and Broker Linkages

- Scenario: unusual price rise before a material announcement across multiple brokers and related accounts
- What rule-based systems detect versus what AI may add
- How to separate suspicious indicators from legitimate trading activity
- When to escalate, what evidence is needed and what human review must confirm

8. Day 1 Wrap-Up

- AI is strongest when it improves prioritization, correlation, investigation speed and control coverage
- Human accountability remains central for judgment, escalation and enforcement

Day 2

AI governance, risk management and responsible AI for exchanges, regulators, CSDs and broker/dealers.

1. Recap and Governance Transition

• Review of Day 1 use cases and where governance must be embedded
• AI risk as legal, conduct, operational, technology, cyber, model, reputational and regulatory risk

2. AI Risk Taxonomy for Capital Markets Institutions

• Model risk, data risk, bias, drift, explainability and validation limits
• False positives, false negatives and enforcement-quality evidence risk
• Generative AI hallucination, prompt-injection and confidential-data leakage
• Agentic AI risks: tool misuse, unauthorized actions, escalation failure and automated error propagation
• Vendor, outsourcing, cyber, resilience and business-continuity risks
• Special broker/dealer risks: client harm, unsuitable advice, unfair treatment, unauthorized trading and sales-practice issues

3. Responsible AI Principles

• Human accountability and clear decision ownership
• Transparency, explainability and contestability
• Fairness, non-discrimination and proportionality
• Data protection, confidentiality and lawful use
• Robustness, accuracy, resilience and auditability
• Human-in-the-loop, human-on-the-loop and human-in-command control models

4. AI Governance Framework for Exchanges, Regulators and Broker/Dealers

• Board and senior management accountability for AI adoption
• AI use-case inventory and risk classification
• Three lines of defense: business ownership, independent risk/compliance oversight and internal audit assurance
• Model approval, testing, validation, monitoring and periodic review
• Data governance, access control, retention and lineage
• Agentic AI approval framework: permitted tools, action limits, logs, escalation rules and kill-switches
• Vendor due diligence, service-level commitments, audit rights and exit planning
• Incident management, breach notification and regulatory engagement

5. Global Regulatory Landscape and Standards

- IOSCO perspectives on AI, market intermediaries and market conduct
- OECD AI Principles and risk-based governance
- EU AI Act relevance for financial services and high-risk systems
- NIST AI Risk Management Framework
- ISO/IEC 42001 AI Management System
- Model-risk-management references and implications for capital market institutions
- MENA/AFCM regional considerations: market maturity, language, data availability and supervisory capacity

6. Practical AI Risk Assessment Exercise

- Scenario: an exchange or broker/dealer implements an AI system to prioritize suspicious alerts and generate preliminary investigation summaries
- Participants assess purpose, data inputs, key risks, human oversight, controls, documentation and monitoring
- Outputs: short AI risk assessment summary and minimum governance checklist

7. Implementation Roadmap for AFCM Members

- Start with AI readiness, data readiness and governance readiness
- Prioritize high-value, controlled-risk use cases
- Build AI literacy for surveillance, compliance, legal, risk and technology teams
- Pilot before production; measure false-positive reduction, investigation time saved and control effectiveness
- Scale responsibly through governance gates, model monitoring and independent assurance

8. Closing Discussion and Key Takeaways

- AI can enhance market integrity, supervisory effectiveness and compliance efficiency
- Agentic AI creates powerful workflow opportunities but requires stronger guardrails
- Responsible adoption requires governance before scale

Trainer Profile:

Dr. Osman Günsel Topbaş

As Co-Founder and Fintech Practice Lead of Manifest Executive Consultancy, a boutique advisory firm based in Dubai, he advises financial institutions and market infrastructure organizations on post-trade transformation, digital assets, and green finance.

Previously, he spent more than 20 years at Citibank, most recently serving as Managing Director and Regional Head of Custody for the MEA region, based in Dubai International Financial Centre (DIFC), where he oversaw operations across 14 countries. Earlier in his career, he led the International Department at Takasbank, Borsa Istanbul's post-trade market infrastructure institution.

A recognized thought leader and frequent speaker at major industry forums, Gunsel focuses on the application of artificial intelligence and blockchain in financial services, asset tokenization, and fintech-driven sustainability and green finance initiatives.

In addition to his professional work, he is actively engaged in fintech education, delivering training sessions and coaching executives on industry competencies. He also lectures on Alternative Investments at the American University of Sharjah and serves on the Digital Assets Working Group of the MENA Fintech Association.

He holds a PhD in Corporate Finance, MSc degrees in International Banking & Finance and Money & Banking, and a BSc in Computer Engineering, graduating as valedictorian.

Course Fees

AFCM Members
USD 500

Non AFCM Members
USD 700

Contact & Registration

Contact us for more inquiries & for registration:
Sally Yassin – Training Solutions Expert
E-mail: sally.yassin@arab-exchanges.org

Office: (961) 05 951 664
Mobile: (961) 81 631 646

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