

# The Role of Artificial Intelligence in Transforming Financial Literacy

Exploring AI-Powered Tools and Their Impact on Financial Education

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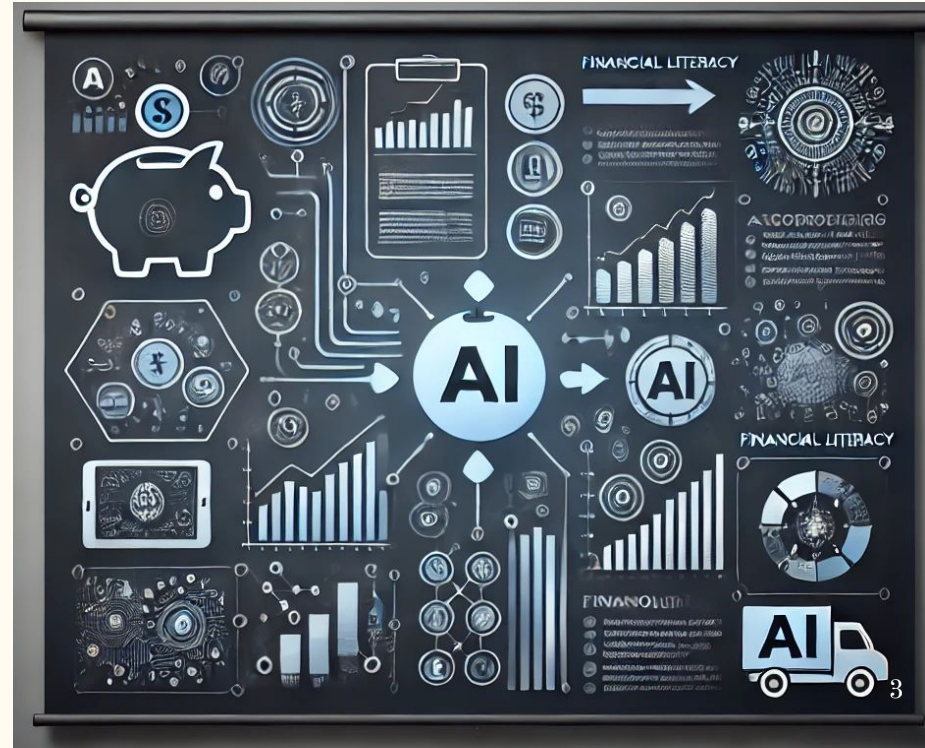


# Overview

- Concepts of Financial Literacy and AI
- The Importance of Financial Literacy
- Current State and Challenges in Promoting Financial Literacy
- How AI is Transforming the Financial Sector
- Benefits of AI in Finance
- Limitations and Risks of AI
- Regulatory Challenges of AI
- Three Key Proposals for Regulating AI in Financial Markets
- Defining AI in Regulatory Context
- Heightened Penalties for AI-Enabled Fraud
- Summary

# Grasping the Concepts of Financial Literacy and AI

- What is Financial Literacy?
- What is AI?
- How Do AI and Financial Literacy Intersect?
- Why This Matters



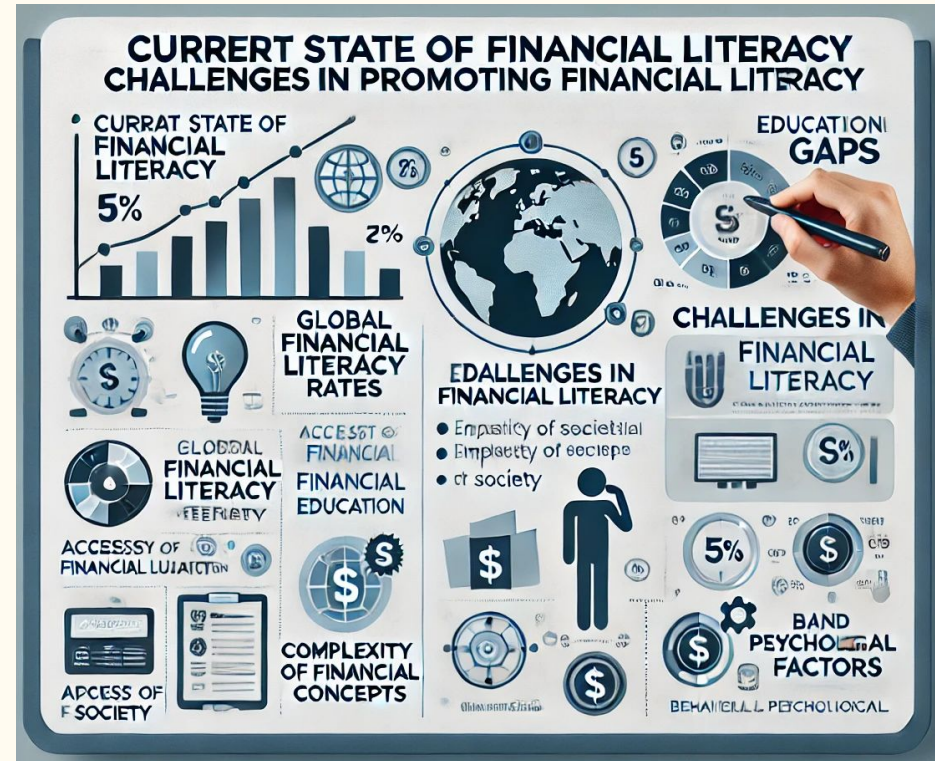
# The Importance of Financial Literacy

- Making Informed Financial Decisions
- Building Strong Financial Foundations
- Avoiding Debt and Financial Pitfalls
- Navigating Financial Challenges
- Empowering Individuals



# Current State and Challenges in Promoting Financial Literacy

- Global Financial Literacy Rates
- Educational Gaps
- Impact on Society
- Access to Financial Education
- Complexity of Financial Concepts
- Behavioral and Psychological Factors

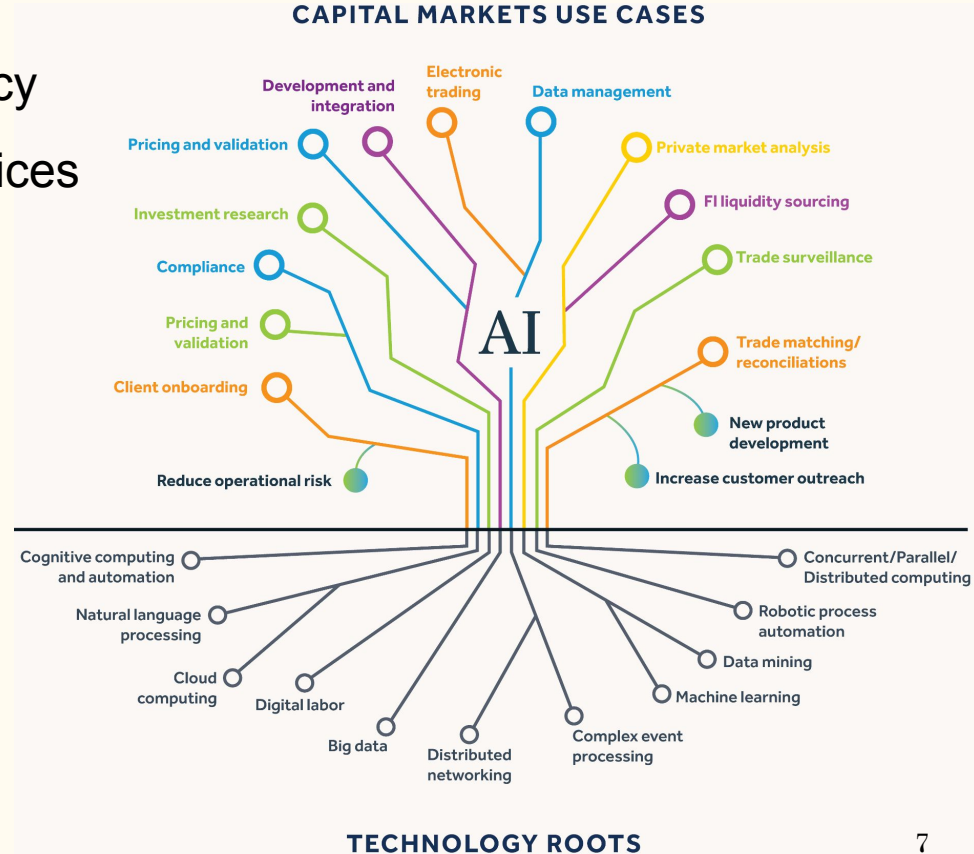


# How AI is Transforming the Financial Sector

- Automating Complex Financial Processes
- Data Analysis and Predictive Modeling
- Trading and Investment Decisions
- Enhancing Risk Management and Preventing Fraud

# Benefits of AI in Finance

- Enhanced Accuracy and Efficiency
- Personalization of Financial Services
- Improved Customer Experience
- Cost Reduction





# Limitations and Risks of AI

- AI introduces risks like deep fakes, voice cloning, and synthetic fraud.
- Need for transparent AI models and governance to avoid biases.
- Protection of consumer privacy and prevention of market manipulation are paramount.





# Regulatory Challenges of AI

- ★ Complexity of regulating evolving AI technologies.
- ★ Identifying fraudulent activity and intent in AI-driven markets.
- ★ Risk management and systemic risks from widespread AI use.
- ★ Bias and discrimination in AI algorithms.

# Three Key Proposals for Regulating AI in Financial Markets

→ **Survey of AI Use**

Inventory market participants' use of AI to assess risks and impacts.

→ **Implement Stricter Penalties for AI Misuse**

Introduce severe fines for AI abuse in fraud and market manipulation.

→ **Inter-agency Task Force**

Harmonize AI regulations across financial sectors, working with national agencies.

# Defining AI in Regulatory Context

- **AI defined as systems that make predictions, recommendations, or decisions based on data analysis.**
- **The need for clear and adaptable definitions to cover broad AI use.**
- **Machine learning's transformative impact on market trading systems.**

# Heightened Penalties for AI-Enabled Fraud

- ★ Fraudsters using AI may exploit its complexity to evade regulations.
- ★ Severe penalties necessary to deter misuse of AI in financial markets.
- ★ The Commission's role in enforcing compliance and deterrence.



# Summary: AI's Role in Financial Literacy

- AI-Powered Financial Tools
- Impact on Financial Decision-Making
- Challenges and Risks
- Regulatory Considerations
- Key Proposals







# Thank You!

**Any Question?**

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