



Legal Watch

BSP MEMORANDUM NO. M-2026-031



Photo Credit:
Jire Carreon / Rappler

* Agency Name

Bangko Sentral ng Pilipinas
(BSP)

* Issuance Title

Guidance Paper Entitled
“Governance Principles for
Artificial Intelligence (AI) in
Financial Services”

* Issuance Date

24 June 2026

* Link

[https://www.bsp.gov.ph/
Regulations/Issuances/2026/
M-2026-031.pdf](https://www.bsp.gov.ph/Regulations/Issuances/2026/M-2026-031.pdf)

SUMMARY

Due to the emergence of AI in the financial sector, the BSP issued the Governance Principles for AI in Financial Services to establish controls and safeguards against the AI adoption risks, including data privacy concerns, unfair and discriminatory practices, and misuse of technology. The BSP is guided by the **STARS principles** to achieve a sound AI governance in the financial sector:

1. **Sustainability.** Ensuring that AI systems are designed and implemented with environmental and social consciousness.
2. **Transparency.** Ensuring that relevant and necessary information are readily available and tailored to the knowledge and expertise of intended users or stakeholders.
3. **Accountability.** Ensuring that the management, developers, and stakeholders are ultimately accountable and responsible for the decisions made, despite recommendations given by the AI systems.
4. **Responsibility.** Ensuring that AI systems are designed and implemented in a way that avoids unfair practices or potential harm to its users, institution, and/or the broader financial ecosystem.
5. **Security.** Ensuring that rigorous cybersecurity and data quality controls are in place.

It is likewise established that the AI system lifecycle is an iterative process, however, interventions should be made to mitigate associated risks.

ACTIONABLE ADVICE

1. All stakeholders are recommended to develop their own AI governance policies and risk management frameworks.
2. All stakeholders shall implement necessary risk interventions throughout the AI system lifecycle, i.e., planning, developing, validating, deploying, and monitoring stages.

