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MEDIA RELEASE

Veritas Initiative Addresses Implementation Challenges in the Responsible Use of Artificial Intelligence and Data Analytics

Singapore, 6 January 2021... The Monetary Authority of Singapore (MAS) today announced the successful conclusion of the first phase of the Veritas initiative which saw the development of the fairness assessment methodology in credit risk scoring and customer marketing.¹ These are the first two use cases to help financial institutions validate the fairness of their Artificial Intelligence and Data Analytics (AIDA) solutions according to the Fairness, Ethics, Accountability and Transparency (FEAT) principles. The Veritas Consortium, ² comprising MAS and industry partners, also published whitepapers on the fairness assessment methodology and the open source code of these two use cases.

The two whitepapers detailed a five-part methodology to assess the application of the FEAT fairness principles in the two use cases. The methodology addresses the implementation challenges in the responsible use of AIDA, and provides an actionable approach for financial institutions to validate their AIDA solutions. The open source code of the two use cases has been made publicly available to help the wider AIDA community in adopting the fairness assessment methodology and spur industry development. These will benefit customers by improving the fairness of financial services delivered by AIDA systems.

This development marks a milestone for the Veritas initiative and paves the way for the next phase of work. Phase Two will look into developing the Ethics, Accountability and Transparency assessment methodology for the two use cases in Phase One. Phase Two will also include use cases for the insurance industry.

For the insurance use cases, the Veritas consortium will focus on the fairness assessment methodology for predictive underwriting, and develop the ethics and accountability assessment methodology for fraud detection:

- Fairness is a key consideration in the course of underwriting for insurance companies. The Veritas consortium will focus on enhancing the fairness assessment methodology applicable to the predictive underwriting for life and health insurance products.

¹ Veritas, which is a part of Singapore’s National AI Strategy, aims to provide financial institutions with a verifiable way to incorporate the FEAT (Fairness, Ethics, Accountability and Transparency) principles into their AIDA solutions. Please see MAS’ media release on 13 November 2019 for details on Veritas, media release on 12 November 2018 on FEAT and media release on 28 May 2020 for details on the first phase of the Veritas initiative.

² The Veritas consortium has 25 members. Please refer to media release on 28 May 2020 for the full list of members for Phase One of Veritas and the annex for the full list of members for Phase Two of Veritas.
Fraud detection and identification of suspicious customer claims are key activities in claims processing by insurance companies. Traditional fraud detection is resource intensive and insurance companies can employ AIDA to enhance their fraud detection capabilities and efficiency.

5  Sopnendu Mohanty, Chief FinTech Officer, MAS, said, “Veritas Phase One enabled us to look into the fairness of artificial intelligence and data analytics systems in a more granular manner. It will improve the trustworthiness of AIDA significantly. We will continue our Veritas journey and aim to establish Singapore as a responsible artificial intelligence hub for the financial services in the near future.”

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List of Veritas Consortium Members (Phase Two)

1) Accenture (New member)
2) Amazon Web Services
3) AXA
4) Bank of China
5) BAFT (Bankers Association for Finance & Trade)
6) BNP Paribas
7) BNY Mellon
8) CFA Society Singapore
9) Citi Singapore
10) DBS Bank
11) Google Cloud (New member)
12) Goldman Sachs
13) HSBC
14) IBM (New member)
15) Industrial and Commercial Bank of China Limited
16) Microsoft
17) Monetary Authority of Singapore
18) MUFG Bank, Ltd
19) Ping An of China
20) Prudential Assurance Company Singapore
21) Standard Chartered Bank
22) Swiss Re
23) Truera (New member)
24) Unionbank of the Philippines
25) United Overseas Bank Limited